THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

HEARING

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS HOUSE OF REPRESENTATIVES

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THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

THURSDAY, APRIL 5, 1984

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT, COMMITTEE ON VETERANS' AFFAIRS,

Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m., in room 334, Cannon House Office Building, Hon. Marvin Leath (chairman of the subcommittee) presiding.

Present: Representatives Leath, Edgar, Evans, Kaptur, and Solomon.

Also present: Representative G. V. (Sonny) Montgomery, chairman, full Committee on Veterans' Affairs (ex officio).

OPENING STATEMENT OF CHAIRMAN LEATH

Mr. LEATH. The committee will come to order, please.

We are meeting today to evaluate the administration and effectiveness of Public Law 98–77, the Emergency Veterans' Job Training Act of 1983. I introduced, and the Congress later passed this law in response to the employment difficulties being experienced by large numbers of Vietnam-era and Korean conflict veterans. The severe recession and fundamental structural changes in the American economy exacerbated preexisting employment problems and contributed to the highest unemployment rate ever recorded among these veterans.

The purpose of the program established by Public Law 98–77 is to create new on-the-job training opportunities for Vietnam-era and Korean conflict veterans by providing incentives for employers to hire and train those veterans. Under this program, the Government will reimburse an employer 50 percent of the veteran's starting wage, up to $10,000 per veteran, to defray the training costs of that veteran. A veteran may enroll for a maximum 9-month training period, except in the case of a veteran with certain service-connected disabilities, who is allowed a maximum of 15 months' training.

This program is fully funded for fiscal year 1985 at $150 million. The administration has proposed to discontinue funding for the program in fiscal year 1985 due to an expected improvement in the economy resulting in lower unemployment among Vietnam-era and Korean conflict veterans.

I take issue with the administration's assumptions. Figures from the Bureau of Labor Statistics indicate that veteran unemployment

is still unacceptably high. During February of this year, 507,000 Vietnam-era veterans were unemployed, and 235,000 of these had been out of work for 15 weeks or longer. Consequently, this committee included in its budget recommendation for fiscal year 1985 $75 million for Public Law 98–77, to be used in conjunction with any carryover from the $150 million allocated to the program in fiscal year 1984. We believe that additional funding for the program should be included in the budget so that as many eligible veterans as possible can be assisted in their efforts to obtain permanent employment.

For this job training program to be fully utilized, employers must be made aware of the opportunities available to them and encouraged to hire veterans under the Emergency Veterans' Job Training Act. Today we want to evaluate actions taken to promote this program and review the application of the implementation procedures.

The program has gotten off to a slow start. Veteran interest and response has been extremely high, with almost 97,000 approved for participation as of April 2. Employer participation, however, has been disappointing, with only 10,347 currently approved, providing 22,237 potential jobs. Only 2,883 veterans have been placed in these jobs up to this point, about 3 percent of those participating. Of the $150 million available this fiscal year, only $13.4 million has now been committed. I have to say that I personally think that's deplorable, and I think the committee feels the same way.

We have been assured by the VA and the Department of Labor that we can expect a sharp increase in employer participation and job placement due to recent Department of Labor initiatives and the usual increase in hiring during the spring. I certainly hope this is correct. We have an excellent program that will greatly benefit thousands of unemployed veterans as well as the employer community and as well as this economy in general. I think it would be a great tragedy if these veterans who are anxious to work, who are ready to be trained, remain in the unemployment lines because the marketing of the program to employers is inadequate or because interested employers become discouraged because of slow processing of applications or other bureaucratic impediments.

All applications under this program must be submitted by November 29, 1984, and no payments may be made for any veteran who is not in training before March 1, 1985. Because of the length of time it has taken to get the word out to the employer community, veterans are recommending that the deadline dates be extended. We may consider this and other improvements, such as extending the life of the veteran's certificate of eligibility from 60 to 90 days, which will simplify the administration of the program, hopefully.

We have with us today witnesses who will advise us of the progress being made with Public Law 98–77, including the Veterans' Administration, the Department of Labor, and veterans' organizations. We are also very pleased to have a representative of the employer community whose comments I know will be most helpful to the committee.

Our first witness will be Miss Dorothy Starbuck, the Chief Benefits Director of the VA. Dorothy, if you would come up and take your place.

I would yield to my good friend from New York, Mr. Solomon.

OPENING STATEMENT OF HON. GERALD B.H. SOLOMON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. SOLOMON. Thank you, Mr. Chairman. I will be brief because you pretty well covered it.

As you pointed out, we are here this morning to examine the implementation of Public Law 98-77, the Veterans' Job Training Program this subcommittee authored last year. As you well know, Mr. Chairman, every attempt was made to design a program that would be capable of nearly immediate implementation, with an absolute minimum of paperwork and administrative burden—which we always try to avoid—certainly you and I do, with you and I coming out of the private sector before we came to Congress.

Although there were preliminary budgetary delays, we felt confident that because of the streamlined procedures the program would be fully operative shortly thereafter. A field hearing we held in January in San Diego, CA further encouraged us, and we looked forward to favorable statistics, indicating that many unemployed veterans had been put to work in meaningful job training positions.

Unfortunately, the statistics available to us so far are, I think, most disappointing. Of the $150 million made available for this fiscal year, less than 10 percent has actually been committed for job training, and fewer than 3,000 veterans have been placed so far under Public Law 98-77. I am glad that those 3,000 have been placed, but I think we have a long way to go.

We are here this morning to determine why this is the case. Is the program administratively burdensome, and has there been a lack of information circulated about the program's existence? These are areas we will be exploring during this hearing, and I look forward to receiving the testimony and suggestions of all of the witnesses that are here today.

If changes are to be made, Mr. Chairman, in this program, then I believe we should make them quickly or our high hopes and good intentions might not ever be realized under this program. I still think it is an excellent program that can be effective, if we can put our heads together and work out the details.

Thank you, Mr. Chairman.

Mr. LEATH. Thank you, Mr. Solomon.

We are delighted to have the distinguished chairman of the full committee, Mr. Montgomery, join us this morning. Mr. Chairman, do you have any comments that you would like to make?

Mr. MONTGOMERY. I have no comments.

Mr. LEATH. Dorothy, we are delighted to welcome you here this morning, to see that, as usual, you're on time and chipper. We expect you to give us solutions to all these problems we set forth, so you may proceed.

STATEMENT OF DOROTHY L. STARBUCK, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION, ACCOMPANIED BY CHARLES L. DOLLARHIDE, DIRECTOR, EDUCATION SERVICE, AND JAMES P. KANE, ASSISTANT GENERAL COUNSEL, VETERANS' ADMINISTRATION

Miss STARBUCK. Thank you, Mr. Chairman.

The gentleman on my left is Mr. Lou Dollarhide, the Director of our Education Service, and Mr. James Kane, the representative of the Office of General Counsel. We are very pleased to be here this morning to give you information on the operation of the job training program.

Mr. Chairman, as you know, the Veterans' Administration and the Department of Labor are jointly charged with implementing this act. The VA has responsibility for approving employer training programs, for determining veterans' eligibility, and for administering the allotted funds. The Department of Labor has responsibility for developing employment and job training opportunities, including job placement. Both agencies are required to cooperate in outreach and public information efforts, and in furnishing information on employment counseling. Immediately upon passage of the law, work groups were established within the VA to develop procedural instructions for use in administering the act. In formulating these instructions, we have maintained very close coordination with the Department of Labor to assure the most efficient use of each agency's resources and to prevent unnecessary duplication.

On August 18 we issued the Veterans' Administration's first instructions to the field and supplemented those on September 21 with more complete instructions. Also during September, we formulated detailed instructions for administering the new program and used the draft version of these instructions in joint training sessions conducted by the Veterans' Administration and the Department of Labor at the end of that month. Other procedural instructions for target system entitlement determinations and employer approval information were published on October 5, 1983.

All of our VA regional offices were prepared to begin processing applications from veterans and employers by the first week of October. Completed applications were maintained on file in our field stations pending the appropriation of funds for the program. As soon as the initial funding was appropriated, but prior to the release of funds to the agency, our regional offices began processing veterans' applications to participate in the program. On November 29, all stations were notified by telephone that processing could begin on employer applications and reimbursement amounts could then be obligated.

Our instructions require that a veteran's claim be acted on within 7 work days of the date of receipt in the regional office. Veteran interest in this program, as you have indicated, has grown substantially. By the end of December, we had received about 37,000 applications. As of March 26, we had more than 126,000 applications received. We have processed 85 percent of those, or about 108,000, and have approved of those 91,000.

With regard to employer applications, we have directed VA regional offices to assign such applications a very high processing pri-

ority. In cases that can be approved or acted on without any further development, we ask that the station issue a response to the employer within 10 workdays of receipt. Once a program is approved, the education liaison representative in the regional office will immediately notify the employer, as well as the State employment service, so that that agency may refer veterans for employment.

When an employer selects an eligible veteran for hiring, a "notice of intent to employ a veteran" form is submitted directly to our regional office in Houston. The Houston office serves as the central processing staff to control and account for the funds and payment records.

Although the initial employer response to the Emergency Veterans' Job Training Act has been cautious, indications of positive interest are increasing. At the end of December we had received a total of only 1,564 applications. As of March 26, there were 10,805 applications. We have processed 92 percent of these and have approved 95 percent of those. As of March 26, the program has 2,116 approved job slots, but unfortunately, only 2,506 veterans have actually been employed.

I would cover very briefly the program's funding, as well as the projections we had initially made on program participation. Actual funding became available in two stages: $75 million from the further continuing appropriations for fiscal year 1984, and another $75 million from the Supplemental Appropriations Act of 1984. To date, $20 million has been set aside for training under the delimiting date extension. The remaining $130 million is designated for use in reimbursing employers.

We had initially projected that 125,000 certificates of eligibility would be issued by the end of this fiscal year. We had also projected that 14,000 job training programs would be approved, with 20,000 veterans trained. This projected number of trainees had been based on an average payment to employers of $6,500 per trainee. At that rate, we felt the $130 million would fund 20,000 trainees.

Mr. Chairman, we feel it is a bit premature to make a judgment concerning the program's level of success, and we do feel and have information that unemployment among veterans targeted for this program, those Korean conflict and Vietnam era veterans, has been declining due to the improving economy, and we really expect it to do so. While there is still a need to find jobs for veterans, we are already seeing a lessening of that need because of improved economic conditions. We anticipate that the objectives of the act will be met with the initial funding, and that a request for an additional appropriation for fiscal year 1985 will not be necessary.

Despite this projected improvement in the economy, we intend to be flexible with this. It is our position that if the evaluation reports for this year indicate that additional funding will be needed to carry out the program's objectives, we will not hesitate to seek such additional funds as may be necessary.

In the area of outreach and public information, both the Veterans' Administration and the Department of Labor have been assigned certain responsibilities. Officials from both agencies met in August 1983 to discuss the objectives of each and to coordinate

strategies in these areas. Generally, the VA agreed to direct its outreach efforts toward veterans and the Department of Labor toward employers.

The most productive plans that could be devised, of course, must necessarily involve a unified effort on the part of the VA, the Department of Labor, and the State Employment Service. A two-sided fact sheet was developed by the VA and the Department of Labor containing information directed toward both veterans and employers. This publication was distributed on November 1 and a total of 650,000 copies were distributed to all regional offices, all veterans' centers, directors of veterans' employment and training, and accredited service organizations.

We feel we have made great efforts to identify and use existing community resources, local chambers of commerce, and labor organizations to assist in publicizing available opportunities.

Finally, Mr. Chairman, I would like to advise you of our attempts to evaluate the operation of this act. Pursuant to a recommendation by the Senate Committee on Appropriations, the VA has been asked to initiate a contract to evaluate the operation of the act. We had an announcement of the proposed study in the Commerce Business Daily on January 24 of this year, and response to this publication was excellent. A contract was awarded to Centaur Asscciates of Washington on March 26 for the sum of $572,980.

There were to be two interim reports, and the first was due on March 1 by the Veterans' Administration, since at that time we had no contract. The second interim report is due on June 1 and will examine the conduct of training. The final report, due on June 1, 1985, will evaluate the overall operation of the program, and both we and the Department of Labor are collecting data for use in evaluating the program which will be made available to the contractor.

I would, Mr. Chairman, just like to conclude my remarks on a rather encouraging note. We have just this week entered into a national contract with the Chrysler Corp., who is developing or changing some of their assembly plants, who are entering into——

Mr. LEATH. Pardon me, Dorothy, but we're going to have to go vote.

The committee will stand in recess for about 15 minutes. I apologize to you that I won't be able to get back, but Mr. Edgar will take the chair. I have a markup in the Procurement Subcommittee this morning, and since we're spending about $200 billion over there, I feel like I need to be there. So I apologize to you for that. We will be back as quickly as we can.

Miss STARBUCK. Thank you, Mr. Chairman.

[Whereupon, the subcommittee was in recess.]

Mr. EDGAR [presiding]. The subcommittee will come to order again. I don't look like Marvin Leath, but I am substituting for him for the remaining portion of this hearing this morning. I feel a little bit as though I have two committee assignments, but I will try not to mix my 300 questions on hospitals and health care with the hearing this morning.

You were about in the middle of your statement when we were rudely interrupted by business on the House floor. We yield back, Miss Starbuck.

Miss STARBUCK. Thank you, Mr. Chairman. I was just concluding my remarks by commenting on a national contract that the Veterans' Administration has just approved with the Chrysler Corp., which had been sought out by one of our veterans benefits counselors in St. Louis to participate in the job training program. Since they plan on rehiring at eight locations, two of which will be new locations, they wanted to enter into an agreement with us on a national basis. They will be, at their refurbished plants, rehiring according to their contract with the labor union. However, at any time in the recall of employees they encounter a veteran, they will put the veteran in training under this program, and in those locations where a contract does not prevail, they will be hiring on the open market and will concentrate on the employment of veterans.

This agreement with the Chrysler Corp. anticipates, according to their estimates, that they would be hiring up to 200 veterans on this recall and new hire program. They will be running a 4½ month training program on the average, and the agreement we have with them is that, despite the length of the training, the 4½ month period of payment by the Veterans' Administration will be the rule.

We look forward to this as perhaps a hallmark for other national contracts with corporations operating in multi-States, and will be making some very positive efforts to get such corporations on board with national contracts.

That would conclude my statement, Mr. Chairman. I will be most pleased to answer any questions, up to 300, that you may have.

[The statement of Dorothy Starbuck appears at p. 65.]

Mr. EDGAR. Thank you. Mr. Solomon has another 150 questions that he would like to ask.

Let me just take a couple of minutes in the beginning to ask a few questions, and then I will yield to my colleagues and come back for a few additional questions. Let me go back to your comment about Chrysler.

I think it is a great idea to get Chrysler, in its comeback and expansion, to use this program. I noticed yesterday that some business news was pointing out that the auto industry is not just in a weak recovery; it is a hard, long-term recovery, and it looks very good for the auto industry.

If we are so excited about the Chrysler participation, have we made an effort, either through the VA or through the Department of Labor, to go to the other employers—General Motors and others—to encourage them to use this program as well?

Miss STARBUCK. We have not as yet, Mr. Chairman, but we intend to do that. This agreement was just completed this week.

Mr. EDGAR. You pointed out early on that the administration didn't think that it needed an additional amount of money for next year because things are getting better in the economy and unemployment is down and you don't think you will have that long-term need.

Has the VA or the Department of Labor—and I will ask this question of them as well—done any regional analysis of unemploy-

ment? Let me preface that question by pointing out that in the northeast/midwest region of the country we have about 45 percent of the population and we have 65 percent of the unemployment. And even though Connecticut and Massachusetts and some of the New England States have turned around, there is hard, long-term unemployment in steel, in coal, in basic industries, in a belt that goes from the Mid-Atlantic States to the Midwestern States. It would occur to me that this program would be more vital, more necessary, more urgent, in some of those areas that still have 14, 15, 16 percent unemployment.

The question is, how has the agency approached the regional concerns? Have you noted those regional concerns? Are there efforts in Johnstown and in the Mon Valley, the Pittsburgh area, to make a special effort to target this help into areas of real high distress and economic dislocation?

Miss STARBUCK. We, of course, are made aware from Department of Labor statistics of employment by region, by State, sometimes as much as by community, and we are aware of this.

The problem that we have with hard core unemployment areas such as Michigan, Ohio, and Pennsylvania, is that there has not been developed new and vital industries that are taking the place of what we refer to as "smokestack" industries. Without the efforts by individual employers or corporations to locate and establish themselves in these areas, it is very difficult because we face a high veteran interest against a low potential.

Mr. EDGAR. One of the questions I would have in terms of follow-up of that is, in Pennsylvania, Michigan, and Ohio, and some of the midwestern areas, half of the auto workers and half of the steel workers, even if the economy is fully returned, will not be going back to work in those industries.

Miss STARBUCK. That is probably true.

Mr. EDGAR. That, in fact, smaller industries, highly robotic, also information and service industries, will take off.

In some of the very small industries, the zero to 20 employee firms, the "mom and pop" operations, everybody in that company is busy making the company work. Many of these new incubated companies do not survive, but those that do move from 20 employees to 40 employees to 60 employees, et cetera.

One problem I see in my region with this program—and this question is probably best asked of the Department of Labor, but I want to raise it with you—is that unless you have aggressive outreach to those small employers in the growing high-tech, new idea areas, they don't have time to read the literature that comes across their desk, and even though they are out, to some degree, hiring new people to come on, they can't fully take advantage of this program.

Do you have any recommendations on how either your agency or the Department of Labor might do a better job in getting out to those small "mom and pop" groups?

Miss STARBUCK. It would be, of course, a responsibility that both the Department of Labor and we would share. But I think it is important to note that neither of the agencies has been provided additional manpower, and to put manpower on the streets is really what needs to be done, to knock on every door. We do not have

that capability. So we must rely on the avenues that we have—the Chamber of Commerce, the news media, and the television media—to get the message across to the extent that we can.

Mr. EDGAR. I notice in the statistics of who actually received jobs, Pittsburgh has filled 21 jobs as of February 23. It seems strange to me that, in an area of such high unemployment, the participation rate would not be higher. Buffalo, NY, has 51 jobs filled—not to be putting Buffalo down. It just seems a little bit strange that there isn't a little better participation rate. Muskogee, OK, has 83, and Muskogee is a little bit—I don't know what its unemployment rate is, but my guess is that it doesn't match what is happening in Pittsburgh.

Miss STARBUCK. I'm sure it couldn't. I don't think the State of Oklahoma could probably match what has happened in the Pittsburgh area. But the figures I have available, as of April 2, show Pittsburgh has moved up to 73 jobs filled. That may not be significant, but at least it is showing some additional interest and success in the program.

Mr. EDGAR. I just make this as an editorial comment. It was my hope when we passed the legislation that, if you were to rank the Nation in terms of highest to lowest unemployment, and areas of most distress, that the groups at the top of that list would be the ones that would be utilizing this program more than others. If you have a growing, robust economy, as you do in Connecticut, where there is about 4 percent unemployment, I don't think you would rely on the Federal Government necessarily to stimulate the reemployment or the hiring of those people. But in those pockets-of-poverty areas across the country, it seems to me this would be vital, not just for chambers of commerce, which sometimes tend to be a little bit hesitant to use Federal programs, but industries, personnel staff, labor groups, and others, using this to get some of their people out and employed. I don't feel that sense of urgency, even in Philadelphia, when we went to look at how the program is being administered.

I get the sense that the VA is doing a pretty good job of certifying the veterans. I am not sure I get the same sense that the Department of Labor is able to get the employers certified. The problem may be what you state, that there wasn't adequate additional staff people made available or directed to get this program out and moving more quickly.

Miss STARBUCK. Mr. Dollarhide mentioned to me coming here in the car this morning that he wanted to set up a team of VA representatives and Department of Labor representatives to get out into some of the regional offices to see if they can identify where problem areas exist with respect to bringing in employers, and to see what can be done constructively to expand the employer participation. We hope to get that show on the road very quickly.

Mr. EDGAR. Thank you.

I yield to my colleague, Mr. Solomon.

Mr. SOLOMON. Let me thank you for your usual thorough and excellent statement.

I guess I want to editorialize a little bit, too. We are disappointed in the initial implementation of the program so far. I am aware of some beginning complaints regarding the delays in some regional

offices in certifying veteran applicants as eligible for the program. I have a question on this subject for you in a moment.

But as I think back to the time when we were drafting this bill last year, it was my original intent, and I think the intent of most of the members of this committee, to give full authority of the program to the VA. I was aware of the great success that the VA had experienced in administering the on-the-job training program, and I had a great deal of confidence that the VA could handle this new program as they have in the past. Our colleagues in the other body seemed to believe that the Department of Labor should play a larger role in this program, and we finally agreed to some of their wishes.

As I recall it, it was our understanding that the Department of Labor was to be responsible for recruiting employers, with VA assistance, of course, while the VA primarily was to be responsible for approving interested veterans in that program. So, given the large number of approved veterans still waiting to be hired by employers, it seems to me that the major hold up in the program does not lie primarily with the VA. I only hope you will continue to do all you can to get the word out to employers on your own. It seems we need greater efforts in this area, considering the backlog of approved veterans that we have right now.

Your processing instructions require a 7-day adjudication period for veterans claims, and I know that some of the VA regional offices were having a difficult time in meeting that 7-day requirement. Do you have any information as to how close we are today to a standard 7-day turnaround in all of the VA offices?

Miss STARBUCK. I think, Mr. Solomon, without having any specific statistics at hand, that we are meeting that. I believe I talked with a member of your staff about the problem which you had encountered, and that problem has been very neatly solved with some management pressure. At any time that we have received complaints from any quarter about processing, there has been a discussion with the director of the office. I believe that we are meeting that now.

Mr. SOLOMON. Very good.

Can you give us any idea of the types of jobs that have been filled so far under the program? You may have touched on this before I came in. In other words, are they manufacturing, high tech, or is it just all over the place?

Miss STARBUCK. It pretty well covers the gamut of positions. There is a lot of high tech. Even the agreement that we have now with Chrysler Corp. is going to be high tech, because the training they will be providing to recalls from union rolls and new hires will be dealing with robotics and high technological assembly line material. I think that we are pretty well covering the gamut of positions, and we do have the sense of what is being opened up as jobs will, in fact, result in long-term employment for the individuals who are in training.

Mr. SOLOMON. Have you been able to ascertain so far, or could you provide us with any data that you may have, as to what the percentage breakdown is of the kinds of veterans who have been actually placed in the jobs—for example, Korean veterans, Vietnam veterans, disabled veterans—as a special category?

Miss STARBUCK. We can provide that for the record, Mr. Solomon. We would be happy to.

[Subsequently, the Veterans Administration furnished the following information:]

During the April 5, 1984, hearing regarding the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77) a request was made by Representative Solomon for information about various categories of veterans who have been placed in jobs.

This information is not readily accessible within VA reporting systems, but a special tasking has been made to gather data from the veteran master records and from a match with the master record and BIRLS extract tape. The data gathered will be analyzed by Centaur Associates, Inc., the contractor selected to prepare evaluation reports on the Job Training Act, and will be included in an interim report to Congress due June 1, 1984.

Mr. SOLOMON. As I mentioned before, I have had some complaints from the private sector that the forms are too burdensome. I came out of the private sector. I'm a businessman. As I look at this application that you have, it is a one-page application and it doesn't look too burdensome to me.

What are the complaints that you have had from the private sector as far as the application is concerned?

Miss STARBUCK. So far as I know, Mr. Solomon, there have been no complaints made directly to the Veterans' Administration about the form. I think there is, in the private sector, a little anathema about filling out Government forms.

We have tried, in designing the forms for this program, to make them as simple as possible, to minimize the burden on both veterans and employers to get into the program, and right now I would doubt that we could, within the constraints of the law, remove any item from the forms that we have devised for this program.

Mr. SOLOMON. We may get some complaints here today, or at least some testimony concerning it.

Miss STARBUCK. We would be very happy to have that, and if it is workable, we can work it.

Mr. SOLOMON. I would hope that we could simplify it as much as possible, particularly for small businessmen, because we all hate Government forms of any kind. The simpler we can make it, the more successful the program is going to be, I think.

Miss STARBUCK. The one complaint that we have had is that rather discouraging block on the form which cautions about the availability of funds. At the next printing of the form, we are going to downplay that.

Mr. SOLOMON. How did that thing get on there anyway?

Miss STARBUCK. Well, it was on there because there——

Mr. SOLOMON. Would you explain it to the committee so everybody knows what you're talking about?

Mr. EDGAR. Is it this form that says, "Funds for this program are limited."

Miss STARBUCK. Right.

Mr. EDGAR. "This certificate is not a guarantee that funds will be available for the training of this veteran."

Miss STARBUCK. In the law itself the statement is made that "The Administrator may withhold approval of an application of a veteran under this act if the Administrator determines that, because of limited funds available for the purpose of making pay-

ments to employers, it is necessary to limit the number of participants in programs under this act."

Now, what that reflects is the precaution that complies with that portion of the law. Our estimates were that the average reimbursement to an employer would be $6,500. We knew that out in the veteran community there was a tremendous demand for participation in this program, so that precaution was put on there. That has been touted to us, rather justifiably, as a discouraging word, and so in the next printing of that form we will downplay that, take it out of the black box. Nevertheless, that same language will appear, but it won't be highlighted as it is currently.

Mr. SOLOMON. The point is, whether it is highlighted or not, the complaint that I had from one particular business was "You mean to tell me that if the VA approves this veteran and I put him to work, that there's a chance I'm not going to get paid for it?" Is that so?

Miss STARBUCK. That would not be so because we would not approve him if we were approaching the limit of the money that is available.

Mr. SOLOMON. OK. I don't have any further questions.

Mr. EDGAR. Just as a followup to that question, there are a number of other concerns on this sheet that aren't boxed in a black border. The law doesn't state that you have to put that particular provision up as highlighted as it is. I could see where an employer would take a look at this and say the Government is saying this is more important of a statement to highlight than the statement that says, "This Certificate of Eligibility is only valid through the expiration date shown above." You know, that's a discouragement as well, but it is not highlighted. For some reason, it does have a discouraging implication.

Miss STARBUCK. We have had that very nicely brought to our attention and we are making a change on that.

Mr. SOLOMON. Just in closing, could I make a request that you seek advice from the general counsel. As one of the drafters of this legislation, I didn't intend for that to be on that application at all. I don't want to discourage anybody. I mean, if we approve them, I want to be assured that they are going to get paid one way or the other.

So my question to you is, Does it have to be on that application at all?

Miss STARBUCK. Mr. Dollarhide informs me that the conference agreement provided that that precautionary note would be a part of the form.

Mr. SOLOMON. Say that again?

Miss STARBUCK. Mr. Dollarhide has informed me that the conference report on this bill provided specifically for that precaution to be a part of the form.

Mr. DOLLARHIDE. That's true, sir.

Mr. SOLOMON. Is that right?

Mr. EDGAR. Blocked out in that box?

Mr. DOLLARHIDE. It didn't say put it in a box, no.

Mr. EDGAR. I would like to ask unanimous consent that the form be inserted in the record at this point.

[The document appears at p. 75.]

Mr. EDGAR. Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman.

I join in your concern and the gentleman from New York's concern about the black box and the complexity of the form, but I understand that the forms themselves are not available, that the VA has actually run out of these.

Miss STARBUCK. That is not so, Mr. Evans. If it is true for anyone, I would like to know where the forms are not available.

Mr. EVANS. I understand they are not available at the central office, that's my information. That is not true?

Miss STARBUCK. That is not true, sir.

Mr. EVANS. All right. Do you have forms——

Miss STARBUCK. If anyone has need, we will provide them.

Mr. EVANS. All right. So you have them available.

Miss STARBUCK. Yes, Mr. Evans, we do.

Mr. EVANS. There has also been allegations by the Disabled American Veterans that you are not working sufficiently with the State job services. Can you describe what relationships you have in general with these State job service agencies?

Miss STARBUCK. I have asked each of the directors of the 58 regional offices to meet with the director of the local job service, and I am sure that each one of them has. In addition to that, there are almost daily contacts made.

In each of our regional offices, whenever an employer is approved, the local job service is furnished a copy of that approval, is notified of that, so that then they may refer veterans to that specific job.

Mr. EVANS. I have no further questions, Mr. Chairman.

Mr. EDGAR. Ms. Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman.

First of all, I wanted to thank the VA for cooperating with our office in getting us some of the additional fliers that were descriptive, that we could mail out and try to help promote the program.

I am wondering, Miss Starbuck, do you have figures for Ohio? I come from the Toledo area. Do you know where we are right now? Our chairman mentioned the situation in Pittsburgh. I know a few months back we had a real problem with getting employers registered in that program.

Miss STARBUCK. In the State of Ohio right now we have 71 jobs filled. That is at an expenditure of $334,340. Cleveland has received, as of April 2, 6,822 veterans applications. They have approved 4,852 of those——

Ms. KAPTUR. Would these be for the employer?

Miss STARBUCK. No, these would be for veterans.

Ms. KAPTUR. This is statewide you're talking about?

Miss STARBUCK. Yes; Cleveland has received 209 applications from employers and has approved 208 of those. That involves 1,355 job positions.

Ms. KAPTUR. You have no idea how many of those might be in the Toledo area?

Miss STARBUCK. No; I do not.

Mr. EDGAR. Will the gentlewoman yield?

How many of those have been filled?

Miss STARBUCK. Right now, as of the 2d of April, Ohio has 71 jobs filled that have been processed by our Houston payment center.

Ms. KAPTUR. There are almost 7,000 veterans waiting for employment, and 1,355 job positions thus far, and 71 that are actually filled. Do you think that, because of the startup of the program, do you expect the positions will be filled more expeditiously now?

Miss STARBUCK. We are seeing an upsurge in that, Ms. Kaptur. I don't know that it is dramatic, but at least it is encouragingly steady. We feel that there will be a continuing increase in placements.

Ms. KAPTUR. Is this the first time that the VA has had to cooperate with the Department of Labor? I am new to this committee and I'm wondering, is that relationship a fairly unusual one?

Miss STARBUCK. No; we have, through the history of our programs, as far as employment is concerned, cooperated with the Department of Labor. But in my tenure as Chief Benefits Director, this is the first time that we have been jointly charged with action on a specific piece of legislation.

Ms. KAPTUR. There probably have been some bureaucratic difficulties involved with——

Miss STARBUCK. Well, I wouldn't say that. The Department of Labor has been most cooperative with us, and we with them. I think that we have merged into a working partnership that allows us to be very honest with each other. You know, if I want to tell Bill Plowden, "Hey, here in Toledo, OH your people are not doing what they should be doing," and Bill can say to me, "Here in New York City your people aren't doing what they should be doing," then each of us has the authority and the clout to correct those problems.

We have tried to take advantage of the talents that are available in each of the agencies to make this thing work. It has been, admittedly, slow in starting, but there is a gradual upsurge in it.

Ms. KAPTUR. You mentioned the releases and the mailings to local chambers and PIC councils and so forth. Have you enlisted the support of some of the national small business associations, like the NFIB, the independent business people, or SIBO, the Small Independent Business Owners, to try to see if some of the national associations or even the chamber itself, which tends to represent the larger businesses, would be helpful in reaching the employers? Has that happened at the national level?

Miss STARBUCK. That has happened with respect to actions by the Department of Labor. I think that they have made a number of contacts and have had some positive response.

Ms. KAPTUR. Might I ask you, for those approved employers, nationally speaking now and not any particular State, what percentage of those approved employers are small business people who would qualify for the monthly payment? Do you have any idea?

Miss STARBUCK. I have no idea right offhand, but——

Ms. KAPTUR. What was the national number again? It's probably in your testimony. I just don't remember it. But the national number of VA applications by veterans and also the job positions from the employers.

Miss STARBUCK. We are at 126,000 on veterans applications, which exceeds our original estimate on it. On the employers, we

have received 10,805 applications from employers as of March 26, and we have approved at about a 95-percent rate.

Ms. KAPTUR. Is that positions, the 10,805?

Miss STARBUCK. No; we have 20,116 positions, approved job slots.

Ms. KAPTUR. That's like it is in our community, where we have more veterans applying than jobs.

Miss STARBUCK. Well, with 126,000 veterans applying, we're looking at 20,116 job slots today.

Ms. KAPTUR. Do you have any sense of the job slots themselves, whether in companies that have 50 employees or under, what percentage of that might be——

Miss STARBUCK. I have no sense of that, Ms. Kaptur.

Ms. KAPTUR. Do you have any idea what the average starting wage is for veterans who participate in the program?

Miss STARBUCK. Where we had initially estimated that we would be paying an employer about $6,500, actually the average commitment is coming down to about $5,000. So it is a little lower than had originally been anticipated. We had anticipated about an $8 an hour figure, and it's turning out to be closer to $6.

Ms. KAPTUR. Finally, what is the average length of the training programs themselves, that the veteran is in a training program; do you have any idea?

Miss STARBUCK. It is running about 6 months, Miss Kaptur.

Ms. KAPTUR. Thank you very much.

Miss STARBUCK. You're welcome.

Mr. EDGAR. Miss Starbuck, has Harry Walters been on the Biz-Net program, which is a cable program to businesses, on this program itself?

Miss STARBUCK. Yes; he has. That's the one sponsored by the chamber of commerce, I think.

Mr. EDGAR. That's correct.

Miss STARBUCK. Yes; he has. I have. Ed Greene, who is the Director of our Veterans Assistance Service, has also sat on a panel on that Biz-Net.

Mr. EDGAR. Have efforts been made to do the same kind of thing on cable television and on programs like the Cable News Network?

Miss STARBUCK. Not specifically. There has been some work done on the presentation of cassettes for use by television stations on small business assistance, but it does not relate specifically to this.

Mr. EDGAR. Has any attempt been made in the major media markets across the country, particularly in areas of high unemployment, to make an attempt to get at all of the major television and radio programs there as a public service, to let people know that this program is available?

Miss STARBUCK. Our regional office directors have made contacts with not only the paper media but with television and radio in their local areas, to attempt to get time on the air, talk shows and so forth, or public service announcements. Their success varies, of course, according to the area in which they are located.

Mr. EDGAR. Each of those major media markets has a business-type newspaper that is directed toward employers, either small business or regular business, newsletters. Has there been any attempt to give direction from the central office back out to the regional directors to try to get an op-ed piece in one of those business

newsletters, or have the editors of the business newsletters come over and interviewed either the VA or the Department of Labor on the value of this program; and/or has there been an attempt to take a successful placement of a veteran and an employer, where both are happy—the veteran with the training and the employer with the opportunity that has been provided—and visualize that in some way, either in print or in video?

Miss STARBUCK. If I am correct, I believe that in Alabama there was a great deal of publicity surrounding the 1,000th veteran who had been placed in a training position and considerable publicity was generated by that.

Mr. EDGAR. I noticed that Alabama, particularly Mobile, had a higher placement of veterans than Pittsburgh. I wonder whether or not that has been because of the publicity in the area.

Miss STARBUCK. Well, I haven't measured the publicity in Alabama against the publicity in Pennsylvania. I have been rather pleased to see the range of publicity that has been given to this, not only by Governors but by the Department of Labor, as well as by the VA on press releases.

Mr. EDGAR. We will hear testimony later suggesting that the VA alter its requirement that veterans submit original or certified copies of their 214's before a certificate of eligibility is issued. Will you comment on this?

Miss STARBUCK. I can, and I will, but I will also ask Mr. Dollarhide to speak to this.

We have for a long time in the Veterans' Administration required that the veteran provide to us a certified copy of his discharge certificate. This came about as a reaction and as a result of the obtaining of benefits by a number of individuals who were using merely photocopies of discharges which had been altered. We have been, I guess, rather adamant about that, and I think justifiably so. If a veteran comes to us and that veteran has filed previously with us for any benefits, of course, we do have evidence of his service in his records and he would not have to provide the document again.

Lou, would you like to add anything to that?

Mr. DOLLARHIDE. No, thank you. You said what I was going to say.

Mr. EDGAR. Let me ask just two brief questions. It has been suggested that veterans' certification of eligibility, which now must be renewed after 60 days, be extended. Do you see any problems with extending that?

Miss STARBUCK. I would see no problems with extending that at all, Congressman. In fact, I think I would encourage it.

Mr. EDGAR. Just one follow-up question. When you were talking earlier to Mr. Solomon about the forms, you indicated that the new forms will not have the black box with that statement on it. When will those new forms be made available?

Mr. DOLLARHIDE. In April, late April, this month, sir.

Mr. EDGAR. And the other forms will be thrown away?

Mr. DOLLARHIDE. They will be used up.

Miss STARBUCK. We hope they're used up.

Mr. EDGAR. Are there any other questions that anyone has for the VA on this program?

Ms. KAPTUR. Mr. Chairman, might I ask that the March or April figures, whatever are the most current, the national figures that we talked about, as well as the state breakdowns, be made available for the record? I would be interested in looking at those.

Mr. EDGAR. Would that be possible?

Miss STARBUCK. We would be very happy to do so, sir.

Mr. EDGAR. Without objection, they will be made a part of the record. And could you also make them available to Miss Kaptur and Mr. Evans and Mr. Solomon and myself?

Miss STARBUCK. I certainly will.

[Subsequently, the Veterans' Administration furnished the following information:]

VETERANS' JOB BILL UTILIZATION BY STATE, APR. 19, 1984

[Based on the number of NOI's approved]

State	Number of jobs	Total dollars
Alabama	133	$509,153
Alaska	39	273,882
Arizona	93	372,757
Arkansas	55	210,444
California	443	2,156,776
Colorado	48	251,591
Connecticut	35	217,051
Delaware	20	79,684
District of Columbia	3	14,471
Florida	113	486,605
Georgia	45	204,362
Hawaii	14	90,746
Idaho	43	229,343
Illinois	116	589,186
Indiana	11	52,616
Iowa	24	104,925
Kansas	83	411,136
Kentucky	36	143,220
Louisiana	9	63,480
Maine	27	128,401
Maryland	39	138,823
Massachusetts	48	232,647
Michigan	67	317,008
Minnesota	31	172,597
Mississippi	49	199,490
Missouri	78	275,570
Montana	19	86,061
Nebraska	43	173,830
Nevada	85	452,435
New Hampshire	13	52,440
New Jersey	35	162,947
New Mexico	43	170,515
New York	212	839,632
North Carolina	99	401,726
North Dakota	20	100,622
Ohio	110	532,624
Oklahoma	205	965,197
Oregon	127	631,843
Pennsylvania	208	970,395
Puerto Rico	5	12,824
Rhode Island	27	114,304
South Carolina	85	325,860
South Dakota	16	76,777
Tennessee	65	270,236

VETERANS' JOB BILL UTILIZATION BY STATE, APR. 19, 1984—Continued

[Based on the number of NOI's approved]

State	Number of jobs	Total dollars
Texas	564	2,682,207
Utah	107	475,914
Vermont	8	35,328
Virgina	16	62,906
Washington	193	1,117,581
West Virgina	67	275,142
Wisconsin	117	591,472
Wyoming	26	148,149
Total	4,217	19,654,931

EMERGENCY VETERANS' JOB TRAINING ACT OF 1983 (PUBLIC LAW 98–77)

Station	Applications received	Renewed applications received	Veterans' applications			Employers' applications			Job slots approved
			Counsel requested	Applications received	Applictions denied	Applications received	Aplications denied	Applications approved	
Eastern region:									
Atlanta	1,736	71	752	1,280	219	170	14	156	354
Baltimore	1,668	77	643	877	288	63	3	60	196
Boston	1,205	51	536	954	152	91	0	84	140
Buffalo	5,563	737	1,660	4,814	546	939	2	937	1,538
Columbia	2,758	219	702	2,106	342	509	32	459	953
Hartford	1,550	226	582	981	230	173	2	159	361
Huntington	2,248	231	553	1,787	161	152	1	151	281
Manchester	331	31	78	283	48	55	0	48	49
Newark	2,231	64	725	1,190	349	314	94	220	455
New York	2,966	90	1,191	2,365	571	644	20	624	941
Philadelphia	4,134	166	1,027	2,601	508	479	4	472	1,440
Pittsburgh	5,159	121	1,932	3,163	634	354	26	328	646
Providence	1,110	103	460	933	119	119	4	107	125
Roanoke	1,183	47	543	888	218	189	10	178	409
San Juan	1,753	24	627	700	101	25	15	10	21
St. Petersburg	2,972	58	946	2,334	345	576	29	499	1,746
Togus	604	31	250	428	105	78	2	71	88
Washington	776	34	394	498	188	111	22	24	707
White River Junction	229	21	97	173	44	18	3	14	17
Wilmington	455	53	252	349	60	44	1	41	45
Winston-Salem	2,685	183	954	2,097	430	294	0	283	695
Total	43,316	2,638	14,904	30,801	5,658	5,397	284	4,925	11,207
Central region:									
Chicago	11,815	1,002	4,800	9,405	1,252	362	13	283	661
Cleveland	8,041	718	1,488	5,670	1,068	283	1	277	1,583
Des Moines	2,095	110	591	1,423	294	76	10	57	74
Detroit	5,902	237	2,985	3,925	587	354	8	309	1,031
Fargo	770	108	209	687	83	96	14	53	75
Indianapolis	2,673	147	830	1,453	303	106	8	86	151
Jackson	1,678	121	616	1,193	375	163	1	140	287
Lincoln	644	35	149	553	79	83	0	78	110
Little Rock	1,580	102	335	1,293	215	285	21	227	684

EMERGENCY VETERANS' JOB TRAINING ACT OF 1983 (PUBLIC LAW 98–77)—Continued

Station	Applications received	Renewed applications received	Veterans' applications			Employers' applications			Job slots approved
			Counsel requested	Applications received	Applictions denied	Applications received	Applications denied	Applications approved	
Louisville	1,846	171	701	1,387	314	113	2	111	256
Milwaukee	5,138	150	2,074	3,982	705	291	6	281	458
Montgomery	3,319	159	641	2,571	571	245	1	235	702
Muskogee	2,671	146	822	2,328	212	707	14	642	1,345
Nashville	2,747	253	659	2,073	427	228	11	214	536
New Orleans	2,036	30	451	1,193	284	77	31	46	67
Sioux Falls	389	37	137	291	51	34	4	30	44
St. Louis	3,439	216	805	2,647	546	367	10	316	469
St. Paul	1,662	182	546	1,303	365	112	9	77	88
Wichita	1,444	133	300	1,198	167	124	1	123	197
Total	59,879	4,057	20,139	44,575	7,898	4,106	165	3,585	8,818
Western region:									
Albuquerque	1,721	264	616	1,213	341	104	18	86	109
Anchorage	644	67	212	450	100	72	13	56	98
Boise	866	136	298	835	21	97	5	84	135
Cheyenne	468	42	113	386	69	53	1	51	87
Denver	2,417	229	530	1,605	552	142	32	99	129
Fort Harrison	602	61	289	467	111	45	4	36	44
Honolulu	417	44	155	398	31	35	5	23	32
Houston	5,904	366	1,582	5,084	895	564	17	543	1,118
Los Angeles	6,959	508	2,657	5,382	1,041	605	6	530	1,297
Manila	1,982	166	774	1,410	322	219	3	196	454
Phoenix	3,062	291	1,389	1,803	302	304	6	277	577
Portland	1,049	80	363	921	167	138	7	132	159
Reno	1,545	113	561	1,071	326	316	5	306	497
Salt Lake City	2,493	211	943	2,112	272	167	0	157	478
San Diego	6,444	288	2,972	4,608	1,000	485	13	422	684
San Francisco	6,490	750	1,658	4,987	524	566	24	513	676
Seattle	4,474	436	1,331	3,519	739	866	68	796	2,050
Waco	47,537	4,052	16,443	36,251	6,813	4,778	227	4,307	8,624
Total									

Mr. EDGAR. Thank you. Sometimes when you make them available to the record they get put in the record, but it's a little difficult sometimes for us to get them.

Miss STARBUCK. We will be pleased to address them individually.

Mr. SOLOMON. Would the gentleman yield?

Mr. EDGAR. I yield to the gentleman.

Mr. SOLOMON. In looking at that conference report language, I don't at this moment see anything that mandates that that warning be on that application. It says they shall be apprised of it. I'm just wondering again if it's necessary. I just think it should not be in any way worded to discourage people from taking advantage of that program. I think your people ought to take a hard look at how that wording is and whether or not it has to be on there at all.

Miss STARBUCK. Thank you, Mr. Solomon.

Mr. EDGAR. Thank you very much for your testimony. We appreciate it. I hope that someone from your office would stay and listen as we question the Department of Labor.

Miss STARBUCK. I will be the only one who will disappear from the scene, sir. I have another meeting. But the staff will remain and look forward to the testimony.

Mr. EDGAR. We appreciate that.

Miss STARBUCK. Thank you, sir.

Mr. EDGAR. We will now ask that Mr. William C. Plowden, Jr., Assistant Secretary of Labor for Veterans' Employment, U.S. Department of Labor, and his staff to come to the table.

Mr. Plowden, before you begin, I would like to ask unanimous consent that a letter from Barney Frank and Brian Donnelly be included in the record at this point. Without objection, so ordered.

[The letter of Barney Frank and Brian Donnelly appears at p. 77.]

Mr. EDGAR. Mr. Plowden, we invite you to proceed. You can read your statement or summarize it, as you see fit. We also would hope that you might comment on a few of the questions that have already been asked so that we don't have to duplicate that effort, if you do have comments, and then we will want to share some questions with you.

STATEMENT OF WILLIAM C. PLOWDEN, JR., ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR, ACCOMPANIED BY DONALD E. SHASTEEN, DEPUTY ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, AND JOSEPH C. JUAREZ, DIRECTOR, VETERANS' EMPLOYMENT AND TRAINING PROGRAMS, U.S. DEPARTMENT OF LABOR

Mr. PLOWDEN. Thank you, Mr. Chairman, and members of the subcommittee. I welcome this opportunity to testify on the implementation and operation of the Emergency Veterans' Job Training Act of 1983. With me today are Donald E. Shasteen, Deputy Assistant Secretary for Veterans' Employment and Training, and Mr. Joseph C. Juarez, Director of Veterans' Employment and Training Programs.

Mr. Chairman, the law provides that the Emergency Veterans' Job Training Act be jointly administered by the Veterans' Admin-

istration and the Department of Labor. By agreement with DOL, the VA is primarily responsible for determining eligibility of veterans, approving training programs, and for payments to employers. We have primary responsibility for job development and job placement activity. The Department of Labor also accepted primary responsibility for employer outreach and public information. It is important to stress that our roles were determined by matching the experiences and functions of our respective agencies with the major tasks to be accomplished.

In planning for the implementation of this act, both agencies were very cognizant of the fact that this was an emergency and short-term program. Mr. Chairman, I would like to publicly recognize the Veterans' Administration for an outstanding job in so quickly developing procedures for the administration of this act. The cooperation of VA staff has been exceptional. Dorothy Starbuck, Lou Dollarhide, Ed Green, John Fox, and numerous others are to be commended for their excellent leadership and hard work. The Veterans' Administration issued the first instructions for implementation of the program on August 18, 1983.

In order to be as prepared as possible to assist veterans and employers at the field level, joint training sessions were conducted by the VA and DOL at the end of September 1983. The training sessions were conducted in Washington, DC, Kansas City, MO, and Reno, NV, and included field staffs of the VA, DOL, and the Job Service. The purpose of the training was to instruct our staffs in the policies and detailed procedures necessary for them to provide training in their States to staff that would be working in the program. All of the States conducted local training by the end of November 1983, and thus had prepared some 2,400 local Job Service offices to implement the program upon funding.

To assist in this training, we prepared a technical assistance guide, which we call TAG, for implementation which contained all the VA's instructions. This TAG was distributed to all of the States for their use in local training and as a reference manual. I believe, Mr. Chairman, that we prepared our staffs to implement this program about as thoroughly and quickly as possible. VA, DOL, and Job Service were prepared to assist and process applications from veterans and employers by the first week in October 1983. Because of this early preparation, both agencies were prepared for implementation when funding was made available to the VA on November 29, 1983.

Outreach and public information were identified as key activities for ensuring success of the Emergency Veterans' Job Training Act. As early as mid-August, we met with VA staff to make our plans for an effective outreach and public information program. As I stated earlier, because of our linkage to the employer community and job seekers through some 2,400 local job service offices, we agreed that the Department of Labor should have primary responsibility for reaching employers. So in January 1984, we issued and distributed an information fact sheet on the job-training program directed to veterans as well as employers. These were distributed to VA and DOL offices in every State for local distribution. We also produced and distributed three radio and four television public service announcements, PSA's, aimed primarily at promoting em-

ployer participation. These PSA's were distributed to the top 100 major markets directly from the producer. Separate distribution was made to our vets field staff for placement in smaller markets to ensure the widest possible coverage. This was in every State. We have an office in each State.

It has been especially gratifying to learn that many States have developed their own public information strategies and materials. Mr. Chairman, you and Mr. Solomon saw some of these efforts in the film we showed at our employers' symposium and reception held on March 27. We were most appreciative that Chairman Montgomery, Congressman Hammerschmidt, and Congressman Solomon took time to participate in that function. We were extremely pleased that some 45 States were represented by private sector employers. These employers have all made a commitment to assist us market this program in their States. We think that the involvement of the private sector will ensure the success of this program. Our State directors are following up with these employers to make sure that we capitalize on their valuable support. We think it makes sense to have employers marketing this program to other employers.

We have planned several promotional activities to be carried out in the next several months that will help to further bolster this program. We will be releasing a second round of radio and television public service announcements in May. It is planned that these will feature the successes of the program and thus generate employer interest. We are also planning a national emphasis approach by making the month of June 1984 "Hire a Vet Month." This month also coincides with the 40th anniversary of the Veterans' Preference Act. It is our plan to ask the States to plan "hire a vet" activities throughout the month of June. We are asking our State directors to take the lead in a joint planning effort, to establish employer seminars that will advise employers of the Emergency Training Program as well as other programs that are available to assist them with hiring and training veterans. We will be providing the States with needed materials, which will include public service announcements, brochures, and promotional and instructional video tapes.

With the cooperative efforts of VA, Job Service, veterans organizations, other agencies, and the private sector, we think these employer seminars will give a tremendous boost to the program and be very valuable for employers.

I believe that the collective efforts and activities of the VA and DOL speak very loudly to the commitment we have given to making this program work effectively. I have made the success of this program the No. 1 priority of my agency. I have backed that up by establishing goals for each State and by making those goals a part of my field staff's performance criteria. We have a dedicated field staff in DOL, in VA, and Job Service, that I know are doing everything they can toward this effort.

There are several other actions that will contribute to the numbers participating in this program. Many of our Job Training Partnership Act grants are directed at marketing, job development, and placement of veterans into the Emergency Job Training Program. These grants are just now becoming operational, with all of them

scheduled to be funded by the end of April. I would also add that our revised interagency agreement with ACTION's Vietnam Veterans Leadership Program calls for their 50 projects to be actively involved in marketing this program to employers as well as placing veterans in training opportunities. VVLP offers the potential for a tremendous resource of volunteers to help us place veterans in jobs.

Mr. Chairman, I would like to comment on two issues that have been raised as apparent problems. The first is the seemingly large gap between approved jobs and jobs filled. As of March 26, 1984, VA reported 20,116 jobs approved and 2,506 jobs filled. Our State directors conducted a random sample of approved employers to verify the number of real jobs available. Nationally, the data shows that only 55 percent of the jobs are available immediately, 17 percent will be available within 3 months, 19 percent will be available in 3 months or longer, and 5 percent of approved jobs are no longer available. The data are not conclusive, but it does point out that nearly half of the approved job slots are not immediately available. We are encouraged that nearly all of the jobs will become available for placement of veterans under the emergency program.

The other issue that has been raised is our effectiveness in reaching the employer community. We did not reach our initial target for release of printed materials and public service announcements. However, we are now in full swing and expect to see rapid increases in employer participation and in job placement. As evidenced by my earlier comments, I think you will agree that we are getting the word out to the employers. I would also add that it takes time to sell any new program. Our friends from the Job Service tell us that, even under the best of circumstances and program design, it takes at least 6 months before the employer community at large is willing to accept a new Government program as potentially useful. As employers recognition of the program has grown, employers are now responding in increasing numbers.

Mr. Chairman, we greatly appreciate your support and the support of this committee. I also want to say that we very much appreciate the assistance of the committee staff, Mr. Mack Fleming, Frank Stover, Jill Cochran, and Rufus Wilson. On two occasions my staff has been invited along with VA to meet with staff of this committee and staff of the Senate Veterans' Affairs Committee to discuss implementation and operations of the emergency program. These sessions have been very helpful.

Thank you again for this opportunity. I will be pleased to answer any questions that you may have.

[The statement of William C. Plowden appears at p. 110.]

Mr. PLOWDEN. There is one question that I might answer, concerning the Ohio question a few minutes ago, where 180,000 letters were mailed to employers, and TV and radio outreach is extensive. These steps have been taken in Ohio just recently.

Ms. KAPTUR. How recently, Mr. Plowden?

Mr. PLOWDEN. When was that done, Joe?

Mr. JUAREZ. In the last 3 months.

Mr. EDGAR. Would the Department of Labor supply copies of those letters to Miss Kaptur?

Mr. PLOWDEN. Yes, we will. Yes, sir.

Mr. EDGAR. And also, just a sample list of the TV and radio people that it was sent to.

Mr. PLOWDEN. Yes, sir.

Mr. EDGAR. Mr. Plowden, I have a number of questions. First of all, did you have to pass your testimony through the Office of Management and Budget?

Mr. PLOWDEN. Yes, sir.

Mr. EDGAR. Is that why it took so long to get it to the committee?

Mr. PLOWDEN. Yes.

Mr. EDGAR. Were they concerned at all about the fact that this committee has requested an additional $75 million for this program next year?

Mr. PLOWDEN. Not to my knowledge. They did not contact me on it, sir.

Mr. EDGAR. Do you think that with your added efforts of media contacts and employer contacts this program is going to be fully percolating by September?

Mr. PLOWDEN. Yes, sir.

Mr. EDGAR. Do you think that the additional $75 million in the second year of the program will be useful?

Mr. PLOWDEN. Sir, we will have to check on that. We are going to be in constant contact with our field and every State to determine how many veterans' slots will be available after that date that we can put into. Since it's a VA appropriation, I would hold back any further comments.

Mr. EDGAR. This committee has gotten some complaints about the earlier public service spots for radio and television that you used as being confusing and not very clear. Will there be any attempt, in your new submission of radio and television spots in May, to bring clarity to them, and is there any opportunity for the staff of this committee to review those public service spots some time in the next month?

Mr. PLOWDEN. They certainly can review them. I can't understand why they would be confusing. But I would like to ask Mr. Don Shasteen, my Deputy who has been handling that particular phase, to comment on that.

Mr. SHASTEEN. Let me say that in the bureaucracy, when you develop public service spots, it is like clearing through a large committee because of the different layers that have to give their approval, all the way from the expenditure of funds to the product when it is finally completed.

We were not totally satisfied with the content of the public service announcements, but they were what you might call "quick and dirty." We wanted to get them out there fast. We were shooting for the latter ~~part~~ of December, and it was actually January before those spots were available at the radio and television stations where we sent them. We now have a longer period of time to work on the next set of spots and we expect them to be an improvement over the first ones.

However, I think the first ones were very direct. I can't see that they could be called confusing. They capitalized on the two major elements that our public relations people in the Department of Labor said were important. One was, of course, the profit motive because we were appealing to businessmen to hire veterans, and

the other one was, of course, loyalty, because veterans do make excellent employees.

Mr. PLOWDEN. They will be available for the staff to review, yes, sir.

Mr. EDGAR. In the Department of Labor you keep statistics on lots of things. Is there an attempt being made, month by month, to keep statistics in a comparison between the areas of higher unemployment and usage of the program?

Mr. PLOWDEN. Yes, sir. I have with me my Director, Mr. Joe Juarez, who works on that constantly. Let me ask him to comment on that, please.

Mr. JUAREZ. We are utilizing the VA data, but in addition to that, we are also starting to get reports from the Job Service system on the number of job opportunities listed with the Job Service.

As you are aware, Mr. Chairman, we do not have unemployment data for veterans by State, but we are working with BLS to try to use State unemployment data and look at the long-term unemployed veterans registered with the Job Service. This will help us in targeting.

Mr. EDGAR. Let me ask you this question, and maybe Mr. Plowden would want to respond to it.

I met with the regional director of the VA in the Philadelphia area on this program. His staff was present in that meeting. They had a complaint that was not just a critical complaint of the Department of Labor. They wondered whether or not the people in the Job Service were adequately qualified to do what you are asking them to do; that is, to go out and drum up business for the program, that, in fact, a lot of the people in Job Service were in the business of matching an unemployed person with a job and a job skill, but maybe they just didn't have the time, the energy, and the effort to go outside of the building to go and talk with employers on this particular program.

How are you beginning to address that if, in fact, that is a problem?

Mr. PLOWDEN. Let me just say one thing. I agree that we have a very dedicated staff out there and the people that we use in the Job Service offices are the DVOP's, the Disabled Veterans Outreach people, the Vietnam era people, and we also have LVER's that have had some experience with veterans programs even before the DVOP's came on. We feel that the majority of our people are certainly qualified and trained in that respect.

But, certainly every individual doesn't have the ability, let us say, to go out and do as good a job as someone else. But who else can we use? The bill didn't provide for any hiring of any additional personnel. But we have gone beyond this bill and we are using JTPA funds to do the job in some areas. I would like for Joe to elaborate on that for you.

Mr. JUAREZ. As Mr. Plowden said, our Disabled Veterans Outreach Program staff and local veteran representatives are not all qualified, have not all received the training to do job development. That is a very specialized kind of activity. However, many States are providing additional training. In New York, for example, they are utilizing other Job Service staff that have this expertise—in

fact, they are charged with that responsibility. I might add that in the State of Colorado five DVOP's were assigned full time to a special team in the Denver area to go out and develop Emergency Veterans Job Training slots, to deal with employers directly.

You asked what are we doing to increase this activity. We have now, in about its third draft stage, a training manual for Disabled Veterans Outreach Program staff and LVER's, and we also have a chapter on job development that is very extensive. We will be providing additional training.

A point to be made, Mr. Edgar, is that it is the Job Service in total that is assisting us, not just DVOP's and not just LVER's. I know Mr. Jack David will address that further.

Mr. EDGAR. You mentioned training, and I was impressed with the testimony about having training sessions in Reno, Nevada, a nice place, and Kansas City and other places. Was there any attempt to think about having a training session in an area of real high unemployment, or to come to the Catskills in New York or to the Poconos in Pennsylvania, so that we could get some of the money out of the Department of Labor, you know, for hotels and reservations, et cetera?

Mr. PLOWDEN. I'm a conservative, Mr. Edgar, and I arranged those meetings at the most economical point that I could bring everybody together.

Mr. EDGAR. I'm a conservative, too. I want to radically conserve clean air and clean water. I want to conserve dollars that get committed to things like defense and other things. [Laughter.]

I yield to my liberal colleague, Mr. Solomon.

Mr. SOLOMON. Thank you, Mr. Chairman.

Before I forget it, and before I perhaps level a little criticism at the Department of Labor, let me first of all commend you, Bill. I happened to be talking to some of the heads of the local labor department offices back home, and they told me that the Department has initiated, in the evaluation process of the job efficiencies that they do out in the field, that you have used this job training program as one of the ways that you rate the efficiency of the field office staff out there; is that correct?

Mr. PLOWDEN. Yes, sir. That was in my statement, yes.

Mr. SOLOMON. That's good. That is one way to really encourage them, because if they don't want a bad rating, they have to go out and do the job.

Mr. PLOWDEN. Yes, sir.

Mr. SOLOMON. Now, having said that, let me say that you have a very impressive statement and the Department, you have testified, is holding some symposiums in Washington and training sessions in the field and public information programs and assistance guides to your field offices.

Why, then, in light of all these efforts that look so impressive on paper, why do the latest figures indicate that we have over 91,000 veterans applications approved but less than 3,000 filled. I just find that hard to understand, with all this effort going on out there. Why is it?

Mr. PLOWDEN. Well, let me say it this way. How long will it take an individual to go out and get the veteran who has been certified, get him over to the job, and get him placed on the job, and agree

with the employer. It takes a little time. Just think of that. How many days, how many hours, does it take to place that one veteran by one person? That is where the hold up is, getting the two people together. You have got to find the right veteran for the right job. You have got to counsel the veteran, to be sure he is ready for the job and you won't be embarrassed by putting the wrong man on the wrong job. So it is going to take some time.

This is what we were concerned about in the very beginning of this program, how long will it take with what we have to work with. The DVOP and LVER can only do so much. The VA representative can only do so much in 1 day, and it does take time to travel. The veteran may be 15 miles from the job.

Now, we actually had State directors who took their own personal automobiles and went out and picked up the veteran and took him to the job, and stayed with him until he was employed. Well, that wipes him out for any other duties. We still have other veterans, other than these here, who are also eligible for other programs who we need to work with and place. We can't give up all the other programs. But we have made this the primary program. So that would be my answer as to why the delay.

Now, let's remember also that the funding of this program came at Christmas. You're a private businessman, and I am, too. Would you want to employ anybody in November or December when you were in the Christmas rush? You would want to wait until February or March or April to put on additional employees, to see how the year cranked off. We ran into that. There were a lot of jobs there, that people said yes, we're ready to put on somebody, but we don't want to do it now. That's the reason I specified in my opening statement the number of jobs that were available now and what would be available in 30 days, 60 and 90 days.

Mr. SOLOMON. I am not that familiar with exactly how forms are processed, but that might be one of the problems. Maybe we're trying too hard to screen. Maybe that's why we've got this 91,000 approved applications but we haven't matched them up with the jobs. Maybe we ought to concentrate more on letting the employer do the matching. Let's get the people in to see him and let's let him make the selection.

If I'm the employer and I'm looking at that future prospective employee, I think I am qualified to make the decision as to whether he is going to measure up and if I can train him to do that job. Maybe that's one of the problems, I don't know. Perhaps that's something you ought to look into. Maybe we're being too careful about being embarrassing to somebody or maybe we ought to try to process them a little faster and get the veterans in there and let that employer make that decision.

Mr. PLOWDEN. You have to let the employer make the decisions. He just won't take somebody that you ram down his throat, I don't think. I certainly wouldn't. So that has taken some time, too. Sometimes the employer wants to take 2 or 3 days to decide whether it's this guy or another guy, and that ties up our people for that length of time.

Mr. SOLOMON. Along that same line—and Bob Edgar touched on it—there has been an inference in some of the testimony that the Labor Department has had difficulty assigning staff, whether it's

the DVOP's or what have you, and veterans employment representatives to this program.

Last year I recall that the Labor Department witnesses testified that even if they had the entire program responsibility under their wing, they wouldn't need any additional people. Do you have enough staff in all areas to carry out the duties to make this program work?

Mr. PLOWDEN. Yes, sir, I feel that I do. It depends on the speed in which you want it done. We have the staff to do it, but you can't do something overnight unless you just have a tremendous staff, which would not be practical at all. From a practical standpoint, yes, we have enough staff.

Mr. SOLOMON. One other question. Here in Washington there are countless trade associations and organizations representing manufacturing and business concerns that are headquartered right here. Has the Department made any concerted effort or a comprehensive attempt to contact these groups, to encourage them to get the word out about this program to their membership? You know, they have trade magazines and trade publications. Have we touched that area?

Mr. PLOWDEN. Yes, sir. I would like for Mr. Don Shasteen to comment on that because he has been working in that area.

Mr. SHASTEEN. Yes, sir, Mr. Solomon. We have been in touch with all of those groups, I believe, by this time. We started out with the Chamber of Commerce because of the large number of local outlets that they have, with the U.S. Chamber. We worked with them to produce the 1-hour Biz-Net Program that was referred to earlier. In addition to the VA people who appeared on that program, Secretary Donovan also appeared on it.

We have held meetings with these people in their offices. Some of them have been very helpful. While I was in Denver I met with the local chamber of commerce there and they agreed to send a letter to every one of their members. We are going to ask the U.S. Chamber to ask their people across the country to do that in every city. We think that might be very helpful.

You might be interested in the other things that we have done in the way of outreach, trying to make our funds stretch as far as they can, because we were not given specific funds for this. We have converted other Job Training Partnership Act funds to this program for outreach.

But in the State of New York, for example, Veteran's Administration representatives contacted 100,000 employers by mail. The State Labor Commissioner there contacted 40,000 large employers. One of the techniques we developed is to insert in the mail that goes to unemployment insurance recipients—in other words, to employers in the unemployment insurance program—to insert facts in those mailings. In the State of Arizona, for example, using that unemployment insurance employer list, 15,000 employer mailings were made with facts about this program.

In Michigan, 75,000 letters were sent to employers in both industries. VA and DOL staff there taped a 10-minute TV program for cable TV. That question was raised a little earlier. We are trying to tap every available source that's out there. We just can't do it all at once.

Mr. SOLOMON. This, to me, is absolutely astonishing, when I hear that this kind of effort is being made. I can't understand why half the businessmen in America don't take advantage of this program. I would be out there jumping at it, not only from a patriotic viewpoint but as a businessman.

Before we go any further, Bob, you also questioned the witnesses on the radio and television ads. I personally have seen one television ad but have heard no radio ad, but I don't watch TV a lot. Maybe if you could furnish the committee with some samples of what you're doing, the written text of it, that might be helpful to the committee.

Mr. SHASTEEN. We would be glad to provide that.[1]

One of the really very reassuring things to us is the way some local TV stations have picked up—one in Denver, for example, picked up our PSA to start out a program that lasted 5 to 7 minutes. They interviewed the employer who had hired four, as of that time, veterans under this program. He has now hired nine, I understand. They also interviewed the veteran. The veteran said he had not held a steady job for 10 years. He was on the verge of losing his wife and having his family break up. For the first time in his life, under this program, he was able to support his family totally from his income. He was making $8 an hour. He commented on how wonderful it was to be off of food stamps and off of welfare and to have the promise of a permenant job when he successfully completed the training program, which he was confident he was going to do.

Mr. SOLOMON. You may just have answered my closing question, and let me just pose it to all of you.

Do you have faith in this program? Do you believe in it? Do you like it as much as I do? Do you think it's going to work? Do you believe in the future of this program?

Mr. SHASTEEN. I do. I am very excited about it.

Mr. SOLOMON. Good. Thank you.

Mr. EDGAR. Let me just ask two follow-up questions. One, that clip that you talked about of 7 minutes, have you suggested maybe to your PR and marketing people that they take that clip and share it around the——

Mr. SHASTEEN. We have it. We have brought it in and we are going to add it to the 5 minutes and 20 seconds that we used the other evening when we had our meeting with the employers from 45 States. We are going to expand that to perhaps a 10- or 12-minute segment.

Mr. EDGAR. One other suggestion for you which you may or may not have thought about, and that is that my schedule is filled with national associations of somebody coming here and having cocktail parties and dinners with followup to conferences they are having here, small manufacturers councils and all of those groups.

My guess is that you don't have to leave Washington to get most of the chamber business leaders in about once every 4 or 5 months here for some association or meeting. I don't know what kind of networking you do with those associations, but they often have holes in their agendas and programs and opportunities for tables

[1] See p. 117.

and other things to be put up. I hope that both the VA and the Department of Labor are thinking about ways to use those Washington-type conferences to get to some of the leadership.

There are also conferences on all the cable television producers in the Nation that come here occasionally, all the press organizations that are here. It is just a great opportunity for you to send a staff person over with a little tape to share a few minutes of comment. I think you might gain some understanding and some businesses willing to hire on some people.

Ms. Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman.

I wanted to go back to Mr. Plowden's comments at the beginning, that 180,000 letters to employers, and I guess to the media, you said were sent out in the last 3 months in the State of Ohio.

Are those people from the unemployment insurance lists that someone else made reference to earlier? Who in my corner of the State, which is the northwestern corner, would have received—I assume it was a letter explaining the program?

Mr. PLOWDEN. Yes. I will let Mr. Juarez explain. He is the director of that area.

Mr. JUAREZ. As directed in the legislation, we met with the Small Business Administration to identify a list of employers that we might use nationally. We were advised that we would really be better off to go to each State employment service and get the lists that unemployment insurance provides that has all employers who are paying taxes to the unemployment insurance system. That is the same information that they use, but much timelier, much more up-to-date. That is the primary list.

Of course, there are also lists that we have, the Federal contractor job listing lists, those employers that have Federal contracts, is a tool we are also using now in the States. But it is the first list I mentioned, Ms. Kaptur, that was utilized in Ohio. I am sure they have used——

Ms. KAPTUR. That would be the largest share, then, of people——

Mr. JUAREZ. That is the largest list available.

Ms. KAPTUR. And what did you send them, that little flier, the two-sided flier? What did you send them?

Mr. JUAREZ. That was the fact sheet that we had provided. I also understand that Ohio has developed some of their own materials. Now, whether they utilized both or just ours or the VA brochure, I don't know of the content. But it was specifically information on the emergency program.

Ms. KAPTUR. And you said that was mailed out in the last 3 months. Would the businesses have received them? They must have sent them out in a staggered mailing. I'm just curious as to why——

Mr. JUAREZ. This was directed to businesses, and I am sure they were not done all in 1 week. That's why I say this report was provided to us last week and this was their cumulative total over about the last 3-month period.

Ms. KAPTUR. Did that also go to any media?

Mr. JUAREZ. Ohio has also done extensive TV and radio outreach. They utilized our public service announcements, TV and radio, and I believe they also developed their own.

Ohio is one of the States, because of our State director, Joe Andre, that is very actively marketing this program.

Ms. KAPTUR. Have you seen any pick up in the amount of employer interest as a result of those mailings?

Mr. JUAREZ. We have. I have talked to Joe Andry on several occasions and he feels that the key is outreach effort and personal job development. They are quick to point out in those States that the winter has had an impact, the holiday season has had an impact. But everyone I speak to is confident, that it is now spring, and we also have had time to educate the employer community, that things are going to pick up substantially.

Ms. KAPTUR. I know in my own Bureau of Employment Services in my district we have one man who is in charge of this program, who is very dedicated. When we sent out a letter from our office to veterans and veterans' interest groups in the area, he received a lot of phone calls from interested veterans, but it wasn't really reaching the employers. I doubt that that relationship has changed much. But it is encouraging to know that there is some State support.

Mr. JUAREZ. Very high level, at very high levels.

Ms. KAPTUR. So you would put Ohio then in the top 10 States as far as outreach effort?

Mr. JUAREZ. We would put Ohio in the top. I don't know if it's in the 10. I'm sure it is.

Ms. KAPTUR. All right. Thank you very much.

Mr. EDGAR. I have a fundamental question I have to ask, and it follows on Ms. Kaptur's and Mr. Solomon's comments.

You have come here today and have testified positively. You have all of these things out there, the program is going to work, everybody is excited about it, we're just happy as anything. I don't hear that back in Philadelphia. I don't hear it in the State of Pennsylvania. I am a consumer of television and radio and I don't hear any ads. I haven't had anybody write to me and say, "Bob, I am really pleased with the way the Department of Labor has gone out and reached these people." In fact, I have heard the opposite. I have heard people in my PIC council, which has contact with all the employers in Delaware County, saying "We never heard of the program and don't know anything about it."

I wonder whether or not your enthusiasm and all the work that you're doing is going into a black hole someplace, and whether or not there is a real feeling that the Federal Government is really teasing people; that they put $150 million together, but that they're really not serious about matching up veterans with employers. They see that because the President's budget comes in and zeros out the program and says it's not going to be needed after October 1. Whether or not with that statement on the application, that the employers, even if they hear about it or find out about it, aren't really going to back off and say, "Gee, that's just a lot of government bureaucratese, just laying on nice-sounding programs signifying little or nothing."

How do you react to that kind of negative criticism?

Mr. PLOWDEN. Sir, to begin with, I haven't received any of that negative criticism. I wonder why they don't write to us. I wonder why they don't call us. We haven't received any negative criticism.

In fact, we have received nothing but praise for what we are doing and acknowledging the fact that we are marketing this program.

I would like for Mr. Shasteen to elaborate.

Mr. EDGAR. Mr. Plowden, I will supply some of that negative criticism to you directly from the Philadelphia area and from the Pennsylvania area.

Mr. PLOWDEN. All right.

Mr. EDGAR. The criticism comes in looking at the number of veterans who have been certified and the few employers that have been certified, and the few jobs that have been created at a time in some areas, like ours, where you have enormous pockets of poverty and high levels of unemployment.

Mr. PLOWDEN. I think it would be beneficial for you to, yes, sir. I could jack up my people some if they received that, too.

Mr. EDGAR. You might want to talk to the regional director in Philadelphia of the VA because he's one of the people, while he's new, his staff in a meeting with me were the most critical of the Employment Service people for their lack of ability—and it's not just a criticism of you folks. It is saying that people who already have a job, because you don't add staff, already have a job to do, can only commit a small percentage of their time and energy to going outside the office because they are overwhelmed by the number of responsibilities they have in the office. There is just no outreach. That's the biggest criticism I hear. There is no outreach to get employers geared up and excited about the program.

Mr. SHASTEEN. Mr. Chairman, we do have a couple of events coming up in Pennsylvania and we will be in touch with you about those. But they are planned and there is one we're teaming up with one veterans organization to hold an outreach seminar type of meeting, to which some 5,000 employers will be invited in the Pittsburgh area. That is the kind of thing that we're working on in each State.

Pennsylvania is really, as you know, a very tough area. That State, all through Ohio, Indiana, and Illinois, the numbers of placements I believe are down because of the toughness of the unemployment problem in those areas. The jobs have not come back as rapidly there as they have in the Southeast, for example, and in the Southwest.

Mr. EDGAR. I understand that. I know it is tougher in those areas. But I can't see why all $150 million isn't spent in that region, and I wonder why we are excited about our statistics if, in fact, we are putting people to work in relatively low unemployment areas with a Federal subsidy, when some of those neighborhoods may not need the help because their employment is relatively good. It seems to me that our focus, because the money is so limited, should be in those areas. Yes, they are the toughest. But when I see Oklahoma or Connecticut, with 4 percent and 3 percent unemployment, outdistancing Pennsylvania and Michigan and Ohio, I get very troubled.

I voted for the program, and maybe the program isn't worth supporting if we can't meet the needs of those who are structurally unemployed or need specialized training, or need to be hired back, in areas of real need. It is going to take a little extra work. It seems to me that the tough areas ought to be the areas where you and

your staff ought to target those areas, and that's why I teased you a little bit about where you held your training sessions. It seems to me you ought to have training sessions in areas that are tough, and you ought to invite the press in and you ought to say, "Look, we have got this money available, we want to be advocates, we want to be enthusiastic people here in the Pittsburgh area, we are holding this conference that's going to be here, here are two or three employers who have hired some veterans under the program, here is some good visuals for your television, come help us be advocates for this program". What I hear is the reverse, that regulations are coming down and we're just not real enthusiastic about it.

I just hope that this hearing sparks the kind of enthusiasm and that from now on, with the new ads that are coming out and the campaigns that you're working, that every dime of this money should be used in my opinion. And even next year, if the economy is robust across the country, it is still true that there are parts of this country that are less equal than others. It is still true that long-term unemployment in Pennsylvania is the longest since the Depression. We have people who have fallen off the unemployment rolls, fallen off the health care rolls, and employers, particularly the small "mom and pop" companies, that are doing some hiring and would love to have an additional person come into that factory. But they don't have time to do the paperwork and the energy to get linked into this program unless they get some assistance, some stroking. I think we need to do that.

I just have one other question that I would like to ask. We're going to submit some questions to you for the record, without objection.[1]

According to the terms of the Edgar amendment to the Job Training Partnership Act, the Department of Labor received a set-aside of approximately $9 million to use in providing grants to contractors who offer employment assistance to veterans. Can you tell me how much of that money has been spent or allocated?

Mr. PLOWDEN. I will ask Mr. Juarez to answer that. I don't believe we have an exact figure. It has been allocated—I mean, it's been spent.

Mr. JUAREZ. Since we operate on a 9-month program, we had about $7 million for this program period. We obligated probably about $5 million of that, with the great majority to be obligated by the end of April. That is the grant process that Mr. Plowden mentioned in his statement.

I believe we have about eight States, if I recall, that we still need to finish the review process. But all those dollars that were allocated to the field should be obligated by the end of April. That is also going to help us market this program.

Mr. EDGAR. Can you tell me what kind of coordination there is between the Department of Labor and those contractors out in the field that you have obligated some of that money to in relationship to this job training bill for veterans?

Mr. JUAREZ. Yes. We took 80 percent of the dollars and set planning levels based on veteran population. The eligibile grantees, if you will, were the States and the service delivery areas. They are

[1] See p. 88.

the only eligible applicants under those dollars. They were the ones primarily that were dealing with community-based organizations, which I think you're referring to, Mr. Edgar. They are the ones that are subgranting, if you will, with community-based organizations.

While we receive considerable communication from them directly, we are encouraging utilizing that Job Training Partnership Act delivery system. If the State applies for those dollars, we require a match, we have encouraged a match if the service delivery area applies. We think there is considerable coordination.

I might add that we are now in the process of planning through our next program year, when nearly $10 million will be available. We will provide some technical assistance not only to that delivery system but also make it available to these community-based organizations that are very interested in providing services.

Mr. EDGAR. Do you discourage any of those community-based groups from being advocates for the emergency job training program, or do you encourage them to go out and find employers for their unemployed veterans?

Mr. JUAREZ. Clearly we encourage it. In fact, many of the proposals that we have received specifically target this emergency program. That is why I say that I think we are going to see, with $7 million more available to provide services to vets, an increased number of employers participating in the program. They are going to help market.

Mr. EDGAR. Very good.

In Pennsylvania, again—we heard earlier about the relationship with Chrysler and with all of the automobile industries. Boeing-Vertol plans to hire back about 300 employees. Some of the corporations in Pennsylvania, not in the steel or coal area, are beginning to hire 300-500 people back on lists, and some effort needs to be made to communicate with them what kind of value it might be to link up with what you're doing.

Mr. Solomon?

Mr. SOLOMON. I have been quite critical but I don't want to end this thing on a note of total criticism, because I think the Department of Labor should be commended for what they have done, even though we are all not satisfied. You aren't and we aren't, with the results so far.

But just before I make one other observation about the schedule of public service announcements—as I said, I have only seen one—I am just wondering if these things are all on at 2:00 o'clock in the morning. You know, some television stations do this.

Have you seen the schedule and are these being shown at reasonable times, where the viewing audience we are trying to reach can see them?

Mr. SHASTEEN. In some places, Mr. Solomon, they are on at 1 or 2 o'clock in the morning. We have been fortunate to get some on during prime time in a few of the areas. It varies from one station to the next and from one part of the country to the next.

When you are not paying for the time, you send them the product and ask them, beg them, or plead with them to put it on at a good time. You take whatever you can get in the way of that free

advertising. We have not paid yet, to buy time, that is, to put any of these on.

Mr. SOLOMON. I don't want to create a lot of work for anybody, and I don't know if it's possible, but perhaps the subcommittee might be interested in looking at a sample of a schedule, when they might be shown in certain parts of the country. For instance, in the Albany, area, which is a large television media area, if they aren't shown at reasonable times, I would like to go in there and use a little persuasion on them.

Mr. SHASTEEN. We would appreciate that very much. We have asked our people in every State, including the local Job Service manager in each locale, to contact the radio and television stations there and persuade them to use the PSA's. We think that has been helpful. So any help you can give us, we would appreciate it.

What we have received back, rather than a schedule, is a postcard that we enclose, which we ask them to return, indicating to us whether they were using these PSA's and, if not, why. So we did make provision for sampling without going out to the field and getting a schedule, if you will, from each television station.

Mr. EDGAR. Would the gentleman yield?

Mr. SOLOMON. I would be glad to yield.

Mr. EDGAR. I think one of your problems in seeing these is that Hart, Mondale and Jackson have taken all the prime time commercial spots in New York. [Laughter.] Maybe now that the primary is over, they will have some air space to fill.

Mr. SOLOMON. I am sure they will. As a matter of fact, President Reagan is on his way up there right now to ask for equal time.

Mr. EDGAR. Could you ask him to put in a plug for the job program? [Laughter.]

Mr. SOLOMON. I sure will.

Speaking of that, and persuasion, I might just also mention that there are a couple of so-called Solomon amendments kicking around in the law these days. One has to do with prohibiting young men who are in violation of the Draft Registration Act from receiving any college loans and grants. That has been tremendously successful. As a matter of fact, these young men have come out by the thousands and registered, just to show their patriotism and so they could pick up a few dollars, I guess, from those programs.

Another Solomon amendment was attached to that Job Training Partnership Act, and I would just hope the Labor Department is enforcing that Solomon amendment because we sure don't want anybody who was in violation of the Draft Registration Act getting any kind of preference over veterans, such as those we're trying to hire. So get out and do your job, OK?

Lastly——

Mr. EDGAR. Would the gentleman yield?

Mr. SOLOMON. I would be glad to.

Mr. EDGAR. You're suggesting that no employer who failed to register for the draft would get any veterans——

Mr. SOLOMON. Oh, absolutely, whatever. We don't want to discriminate.

Mr. EDGAR. I appreciate that.

Mr. SOLOMON. Lastly, at that symposium, which was very successful—and I was really impressed with the people that came—

they were mostly from large businesses. For instance, the Coca Cola Bottling Co. was there from Philadelphia, PA, and I think they had a young fellow, who was a Vietnam veteran himself, who had risen from being a fork lift operator and had worked his way through college and had gone to work for the Coca Cola Bottling Co. and now was a regional vice president. He was really enthused about this program. You know, Coca Cola is a big company. But I think we have to remember that 75 percent of all the new jobs that are created in this country every year annually come from small business, and if we're really going to make this program work, it is not going to be the Fortune 500 companies that implement this program; it's going to be the small businesses throughout this Nation.

I think, from what you said to Ms. Kaptur and myself about the efforts that are being made, that those are the kind of efforts that we ought to be making and I just hope we can even do a better job and make this program work, because I have a lot of faith in it and I believe it is going to work and work well in the long run.

That's all I have, Mr. Chairman.

Mr. EDGAR. Thank you very much. Thank you for your testimony.

Mr. PLOWDEN. Thank you, sir.

Mr. EDGAR. We are going to ask two witnesses to come forward at this time, Mr. Robert David, chairman of the Veterans' Affairs Committee, Interstate Conference of Employment Security Agencies, and Mr. Herbert Roach, chairman of the Employers' National Job Service Committee.

We have your testimony and the full text of your testimony will be made a part of the record. If you could summarize the cogent points of your statement, it would be very helpful. I know sometimes it is easier for you to read the statement, but in lieu of the time, if you could summarize, it would be very helpful.

Mr. David.

STATEMENTS OF ROBERT E. DAVID, EXECUTIVE DIRECTOR, SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION, AND CHAIRMAN, VETERANS' AFFAIRS COMMITTEE OF THE INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC., ACCOMPANIED BY C. BRUCE CORNETT, DIRECTOR, MISSOURI DIVISION OF EMPLOYMENT SECURITY, AND COCHAIRMAN, ICESA VETERANS' AFFAIRS COMMITTEE, AND SHERYL TIMBERMAN, STAFF MEMBER, ICESA; AND HERBERT ROACH, CHAIRMAN, EMPLOYERS' NATIONAL JOB SERVICE COMMITTEE

STATEMENT OF ROBERT E. DAVID

Mr. DAVID. Thank you, Mr. Chairman. I will move immediately then to the second paragraph and begin there.

At the outset, I wish to emphasize that our experience in administering employment and training programs for over 50 years has taught us that new initiatives, particularly those which are dependent upon the private sector for their success, take at least 6 months to effectively implement, under the best of conditions. Even if the procedural aspects of the program have been tested and reduced to their simplest form, and if publicity has been packaged

and in place at the start of operations, the employer community will not immediately accept and participate in a new program.

The education of the private sector in understanding the benefits of a new program, as well as their specific responsibilities if they choose to participate, takes time. Our agency has found that it takes 4 to 6 months to really get a program like this off the ground, Mr. Chairman.

We have gone through training programs in the States. We have prepared ourselves for the program. I would say to you at the outset that we are enthusiastic and we believe we're at a point now when this program is going to move. We think you're going to be surprised by the end of the year at the amount of people who are on jobs and the amount of money that we have spent.

I'm going to try to cut through my statement quickly.

In light of the above factors, all of which impact on program success, I must report to the subcommittee that, in our opinion, the veterans' training program operating procedures have created some barriers. In this regard, I would like to provide the subcommittee with a copy of the survey results that our organization compiled regarding the involvement of the Employment Service in the day-to-day operations of the program. That is attached to our testimony which you have. It is a survey that we sent out to all of the employment agencies throughout this Nation with a group of questions, which they answered, and we have the results attached to this testimony.[1]

The most significant problem area addressed by the States is the processing of the eligible veteran and employer requests to participate in the program. It has been characterized as complex and lengthy, involving more agencies and organizations than are actually necessary.

To correct these major deficiencies, we recommend that serious consideration be given to placing greater administrative control in the hands of a single agency, much like the Congress established when the created the targeted tax program. In the tax credit program, State Employment Security Agencies certify the eligibility of both applicants and employers. We admit here that the certification of the applicant can best be done by the Veterans' Administration because they have computerized veterans' records. Insofar as certifying the employers, we do this every day. It is something that we believe the Employment Security Agencies or the Job Service could do.

Each group deals, for the most part, with a single point of contact regarding certification, and processing is handled in an expeditious manner. In our 6 years of administering the targeted tax program, employer involvement has grown so rapidly that in the current fiscal year all administrative funds will have been expended within the next 30 days. In fiscal year 1983, the Employment Service certified over 400,000 employer requests—this equates to hires—over a 100-percent increase from 1982.

It takes time to get it on the ground. It's on the ground now. It is well organized, improvements are being made, and we believe you are going to see improved results over the next few months.

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[1] See p. 127.

Employing establishments of all sizes are using the program. One of the most attractive features is the simplicity of the processing—one form and one point of contact. Over the past few weeks we have been in contact with the VA and Mr. Plowden's staff regarding our survey findings and recommendations. I am pleased to report that they are most responsive and we feel confident that improvements are being considered.

Mr. Chairman, our survey revealed a number of other issues which we believe can be resolved administratively. However, there is one area in particular that I would like to review with this subcommittee because of the impact it appears to be having on the private sector.

Specifically, employers cannot be certain that program funds will be available—and, of course, this is the issue of the item on the form which I will go ahead and pass over because you have already covered that. Really, it reduces the confidence of the employer in the program.

Mr. Chairman, this concludes my statement for the record, but I would like to take this time to inform the subcommittee of the cooperation and support that we have had from the Assistant Secretary of Labor for Veterans' Employment and Training. Mr. Plowden, Mr. Shasteen, and their staff, particularly Joe Juarez, have worked closely with the State Employment Service Agencies regarding this program, as well as a number of other programmatic and administrative areas related to our responsibilities under title 38, United States Code, chapters 41 and 42. Two of Mr. Plowden's staff actually serve on the ICESA committee that I chair. We believe Mr. Plowden has been an ardent supporter of the Employment Service System and we are most grateful for this contribution.

On behalf of the members of the Interstate Conference of Employment Security Agencies, Inc., let me again express our appreciation for being allowed to participate in this hearing. Mr. Cornett and I will be most willing to respond to any questions that you might have at this time.

Thank you.

[The statement of Robert David appears at p. 122.]

Mr. EDGAR. Would you identify for the record Mr. Cornett and his title and——

Mr. DAVID. Mr. Bruce Cornett is the administrator for the State of Missouri's Employment Security System, and Miss Sheryl Timberman is a staff member from ICESA.

Mr. EDGAR. Thank you.

Mr. Roach, if you would give your testimony, and then we will save questions until you have completed.

STATEMENT OF HERBERT ROACH

Mr. ROACH. Mr. Edgar, I thank you very much on behalf of the employers committee, and also on behalf of the private sector, in giving us this opportunity to voice our concerns on the program.

I would like to first point out that the private sector basically believes in this program, feels that it is a good program, in that it is

the type of program that can be implemented in businesses of all sizes and of all types of industries.

I would also like to point out to you that the committee which I am representing is strictly a voluntary organization which was formed over 10 years ago to work on a voluntary basis, receiving no pay whatsoever, for our services, giving advice to the Department of Labor and other such organizations on matters affecting employment and training programs that would affect the private sector.

I will try to cut through this because you have asked for brevity.

I am somewhat concerned. The private sector and you two gentlemen have expressed very much your concern for this program. My only concern is, I wish that there were more here to take notice of some of these comments personally. That bothers me somewhat.

Within the private sector, as I said, there is some very strong support because of the functioning of the program, the way it could work if it functions properly, the way it was intended to work. It can be used by the small employer and the large employer and the medium sized.

Having met in the past with Mr. Plowden and Mr. Walters, I do believe that they both, plus their staff people, are definitely interested in seeing this program work. I don't believe anybody is trying to cut this program down.

The problems which I am going to present to you are ones which do not necessarily appear in every State or in every region. They are ones, though, which are gathered and I have heard more often from employer communities from across the country.

They fell into two basic sections, one being the general organizational development. The first thing that I would want to point out is you must remember that employers are always leery of being involved in Government programs. The saying "the check's in the mail" or "I'm the IRS, and I'm here to help you" type routine, that is a stigma that you're not going to overcome initially with any Government-type program.

Two, marketing and publicity of any program has got to be key and it has to be essential. It is critical to any program to get it up and running. I have seen this before with other programs—when we try to enact one of your very well-meaning programs, we do not take the time to organize them properly and to allow for marketing and training to be done of the personnel in the field who are going to implement these programs. Especially when you're asking two different agencies to work together, coordination and training is that much more important, so that both know what each others is supposed to be doing and that they perform their functions properly.

I would also like to point out that there are two types of persons who normally work with the veterans programs through the Department of Labor and Job Service offices. Those are normally, as has been mentioned before, LVER's, and the disabled veterans outreach personnel. These people are very well trained at working with veterans. Unfortunately they are not always trained on how to go out and market a program. This is a problem. So what many of the Employment Service offices have done to overcome this problem is to send out some of the other employer rep type people to

aid in this. But this has caused a problem because it cuts back on their effectiveness on handling their other responsibilities and duties as well. This always causes a little bit of a problem, amongst the Department itself, because there was no additional money put forth for the administration of this program from them.

I would also like to point out that, in addition to that problem, people who work within the Employment Service offices in some areas are not getting feedback from the Veterans Administration on placement. When your main target in life is placing people and putting them out there, one of the main things that gets you up and gets you going is knowing you have done a job well. So feedback is important. In many cases I am hearing they are not getting appropriate feedback.

In addition to the above two items, Employment Service personnel are trained to go company to company in many cases to hit the small and medium sized employer. They somewhat had the air let out of them when all of a sudden they see the veterans organizations or the VA get credit for going with a national contract. They're sitting there saying, "We can't cover everything. We have been trying to work on that, too." I think the hand-in-hand, the working together, the coordination of effort, is key in this program, so very key.

Another problem which is seen under those basic parameters is the funding of a program. Basically, the funding, I am sure, was set up with very good intention, and that is on a first come/first served basis. In some cases this may not be working to the advantage of the program, because some States who took the time to try to do some planning before implementation are now looking and saying "Hey, I don't know if there's going to be funding out there." The employers are saying "I don't know if there's going to be funding out there for this program. So I am not going to put forth my limited resources to get totally active."

Another major problem is that you have two other big, major programs that are out there that deal with some of these same applicants, this being an OJT contract which a person can get through the JTPA program, and also the Targeted Job Tax Credit Program. In the private sector, both of these programs are viewed by the private sector to be easier to work with and less complex. That is a major hurdle to overcome.

I would also like to point out that it does take time. It takes time to get any program off the ground. The program which right now is probably spoken of so highly by most private sector people is the Targeted Job Tax Credit Program, because of its simplicity of administration from an employer's point of view. When you're talking about the small and medium sized employer, the last thing he wants is overhead and administration. He can't afford that in today's economy if he's trying to compete.

But this program, the Targeted Job Tax Credit Program, didn't get off the ground immediately. It was very slow getting started. You are now going through some of these same growing pains.

On a side note, if you will look how long it has taken Vice President Mondale to try to market himself, for 4 years, and he hasn't convinced everybody yet that he's the right person. I would also

like to say that he and Mr. Hart have probably spent more money on marketing than we have on marketing this program.

Problems within the program itself. One, it is viewed as being complex by the small and medium sized employer, which could cause more administration.

Two, many employers feel that it is designed to help only the so-called problem children or hard core personnel, and not that type of veteran who really wants to get out there and do something for himself and for his family. I will mention this in the following light:

You have a veteran who is trying to get out there and do something. He is willing to take on any type of work that he can get to put bread on the table for his family. Unfortunately, many of these people, because they are doing that, are ruled out and ruled ineligible for this program because they are not unemployed for 15 out of the last 20 weeks. You also have some of them who are in menial jobs, let's say, pumping gas at a minimum wage, who fall out of this program and are kept from being able to get a better job because they are employed, even though the job they could have gotten was maybe as an electronic technician paying $7 to $9 an hour.

There are also numerous reports of delays in both employer applications and the veterans' applications across the country.

I would also like to point out that any time you have two separate agencies, such as the Employment Service and the Veterans' Administration, you do have a certain amount of "protection of turf" syndrome, I would say. That is there.

Mr. EDGAR. If I may interrupt the gentleman, if you would continue to summarize because of the pressure of time, it would be very helpful.

Mr. ROACH. I will say my last remark would be that you are also haunted by many of past veterans' programs which employers felt were too cumbersome, did not like, had a bad taste left in their mouth, and many of those employers, when you mention the program, just throw their hands up and say, "I'm not going to work with it."

That is a brief summary. I thank you very much for the opportunity to give our brief presentation. I would be more than happy to answer any questions.

[The statement of Herbert Roach appears at p. 130.]

Mr. EDGAR. Mr. Roach, before we begin on the questions, let me clarify something which you made reference to earlier in your statement. You were concerned that there weren't more Members here listening and paying attention and participating.

Since January 1, today is probably the busiest day that we have on our calendars, because we are in the process of laying out the Federal budget for 1985. Last night we were in session until 9:30 and this morning we went in at 10 o'clock, and we have five budget proposals, including the President's budget, the Democratic alternative, the liberal alternative, and the conservative alternative.

We also have 185 different committees and subcommitees of Congress, and most of us serve on seven or eight or nine of those different committees, and they meet all the same. We have hearings like this to receive testimony to oversee a program, and we have other

hearings called markups. The markup time is when we're actually working on writing the legislation for future laws in the next couple of months. That particular kind of hearing session, legislative hearing, to mark up legislation takes precedence over oversight hearings—it probably shouldn't—but it does, because it is critical that you be there to offer your amendments and participate. A number of people, including our chairman, are in closed sessions or in open sessions marking up legislation that will be on the floor in the next couple of months.

Copies of this record will be made available. That is why this gentleman is down here taping every word, and the staffs of those Members are here. But just so the record is clear, it is not that the Members are not interested. It is just that we have caught ourselves in this legislative bind. I would be glad if we had 2-year budgets and 4-year terms and didn't have the pressure that we're under, but we are under a great deal of pressure.

Mr. ROACH. I can appreciate that.

Mr. SOLOMON. I wonder if the gentleman would yield on that point?

Mr. EDGAR. I yield to the gentleman.

Mr. SOLOMON. I also would like to just comment on this, because I have coming up shortly this afternoon a very important meeting of the Foreign Affairs Committee, the full Committee, and I may have to miss some of the testimony coming from our remaining witnesses. I don't want you to think that I'm not interested. I am the ranking Republican Member on this subcommittee, as Mr. Edgar has said, and I would like to pat him on the back. Even though he is philosophically, quite a ways to the left of me at times, he has been very good to sit in for the chairman, which he does quite often. He is a very good member of this committee and I commend him for it.

Just, for example, another Republican member is Chalmers Wylie, who is the ranking Republican on the full Banking Committee. He is meeting right now. Of course, Denny Smith from Oregon is on the floor on the budget, which is critical to this issue and a lot of other issues. So it is very difficult. Again, I want to thank Bob for sitting in for the chairman, so that we could at least carry this meeting through to its end.

Thank you for yielding.

Mr. EDGAR. Let me just ask a couple of questions, and I probably will submit some questions for the record.

Mr. David, this committee is trying, through all the budget proposals that are being discussed on the House Floor at this moment, to add about $75 million for 1985 for this program. It sounds like from your testimony that if we just wait long enough the program will be humming.

What is your feeling if, on October 1, we simply come up to the end of the program and cut it off without at least some modest extension?

Mr. DAVID. I think the people who have had to put this together out on the ground, Mr. Chairman—for example, in our State we have had training sessions, we have talked to all of the veterans organizations, we have the air full of advertisements. If the money is cut off to us, we're going to have a lot of people disappointed. It

is my personal feeling that we are going to use the money much faster than these first initial indications give us, that we are just seeing the beginning of this now.

I would recommend that we do have money in the budget next year to continue this program. We may be surprised and use much more of this money than the questions that have been given us seem to indicate. I personally think that we will, and it would be a pity to disappoint the veterans and disappoint those who have worked so hard in this program.

My colleague here, Mr. Cornett, would also like to comment on that, if he may.

Mr. EDGAR. Mr. Cornett.

Mr. CORNETT. I think it is important to look at our performance to date, when the program is just beginning. It is also beginning in January, February, and March, the periods of highest unemployment I think in every area of the Nation almost. We see that the number of job slots approved by the VA is 20,000, and we say that's not very good because there is 91,000 veterans who have been approved. But you look at that 20,000—and Miss Starbuck said the cost for those slots are averaging $5,000. If you take $5,000 times 20,000, you get $100,000 potentially obligated. If you know anything about OJT programs, you certainly fall short of expending a hundred percent of that money.

But if you take only 60 percent of that potential $100 million obligation—and I think 60 percent is a realistic and conservative figure—we will have at this time a very good potential of spending $60 million in the first 6 months of a program during the highest periods of unemployment in the Nation. So I am personally confident that the program will expend a lot more money than it is now, and I think we should be looking at it under those conditions. Those are the manners in which OJT programs have been historically run. I think it is a realistic way of looking at the program.

Also I might add, to talk about the example of some of the weaknesses of the program, I was personally involved in getting Chrysler interested in the program. But I can tell you, when Chrysler was hiring 1,500 people in January and negotiating with us and the private industry councils in the St. Louis area, on trying to utilize JTPA funds and other subsidies, we tried to talk to them about the Veterans' Administration. Their answer continually was, "we don't want to deal with anybody but the Job Service." They wouldn't even deal with the PIC's. They made the PIC's run all the money through us for their OJT, through title II of the Job Training Partnership Act. As a result of that, we took in 13,000 applications for Chrysler, we referred 2,000 people to them, and they referred 1,100. It was after that, when the time had eased—because they were in a hurry. They didn't want to have to go to the VA and get approval; they didn't want to have the veterans go to VA to get approval. They wanted to deal only with the Job Service. We got 1,100 people hired that way. It was very quick and very clean.

Now, they are interested in it. I can tell you, I'm always interested in attitudes between agencies. I have met with the regional administrator of the VA in St. Louis, his staff and my staff have gotten together, and the attitudes are excellent. They are wanting to work very hard to make the program as effective as possible, but

there are built-in time delays the way the program is currently designed.

Mr. EDGAR. Mr. Solomon.

Mr. SOLOMON. Mr. Chairman, we have a vote coming up, so just briefly, I would like to comment on one of the problems that you brought up, and that was that the veteran has to be unemployed for 15 out of the prior 20 weeks. In many cases you do have a lot of these young fellows that are out there and they are scrappers and are trying to get by as best they can. They don't want to go on welfare. This eliminates some of the real potentials that we have out there that an employer would really be interested in. In other words, he wants somebody out there that really wants to work.

It is too bad that is in there. That was one of the problems that we had when we were trying to draft the bill. The other, of course, as I mentioned, was the problem of having joint jurisdiction between the VA and the Labor Department. I would have preferred to see it one, whichever one, but we couldn't do that.

Mr. Chairman, we're running short on time, so I will stop. I would like to submit questions later on, though.

Mr. EDGAR. Thank you.

Without objection, we will recess the hearing at this point to go over and vote. We will come back at 1:15 p.m. to complete the hearing. I apologize to those who have waited so long, but I must do something between now and 1:15 p.m.

We will resume the hearing at 1:15 and hope to conclude by 2 o'clock.

Mr. DAVID. Mr. Chairman, will we come back, or are you dismissing us, sir?

Mr. EDGAR. We will dismiss you and give you questions for the record to respond to. We will send those to you.

Mr. DAVID. Thank you.

[Whereupon, at 12:40 p.m., the subcommittee was in recess, to reconvene at 1:15 p.m.]

AFTERNOON SESSION

Mr. EDGAR. The subcommiteee will resume it's hearing.

We will call on Miss Jeanette Randall, Government Affairs Representative, Ameriserv Corp. Miss Randall, we apologize for the delay today, but sometimes the number of witnesses and the hearing material takes longer than we anticipate. We appreciate your patience today.

You may proceed, and we hope you will summarize your material. The full text of your comments will be made a part of the record, without objection.

STATEMENT OF JEANETTE RANDALL, GOVERNMENT AFFAIRS REPRESENTATIVE, AMERISERV CORP.

Ms. RANDALL. Thank you. I will attempt to summarize and conclude in very short time.

Mr. Chairman and members of the committee, Ameriserv is pleased to have the opportunity to work with the Veterans' Administration in assisting in the placement of veterans in jobs provided by the Emergency Veterans' Job Training Act. We have represent-

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ed over 1,500 corporate clients in the successful implementation of tax incentive job programs. Some of these clients include Wakenhutt, Days Inn, Hickory Farms of Ohio, and Little General, just to name a few. We look forward to the challenge of providing veterans with respectable training and employment possibilities.

Our clients are most enthusiastic about hiring and training veterans. We received a letter from the Veterans' Administration approving our involvement on March 14, 1984. As of Tuesday, April 3, 1984, Ameriserv had received 114 job orders, had written 54 training programs, sent 9 veterans on interviews, thus far resulting in one job placement. The 114 job orders mentioned represent only three of our corporate clients. In the very short time we have had to survey our clinets, so far 23 have indicated that they do have jobs for veterans. These jobs encompass a full range of opportunities and interests, including manager training, the trades and hotel services. In less than two weeks, Ameriserv received 60 store and 6 district management position orders from Little General alone. We believe, with just the employers we represent, that 400 to 600 jobs per month will easily be made available to veterans seeking career-type employment by June of this year.

Mr. Bill Bryant, the Veterans Service Officer for the State of Florida, has reported that since February 6, 1984, the number of employers approved have increased from 183 to 406. Veterans approved for certification increased from 764 to 1,982, and the number of veterans placed from 10 to 88. He predicts a continuing increase in applications and placement as employers learn about the program. The word is slowly reaching veterans, as the Florida Job Service offices have reported an increase in veteran inquiries. Once the veterans are determined eligible, paperwork for certification is sent to regional offices for processing. This processing now takes from 2 to 5 weeks, and sometimes more. This waste of valuable training and work time is one more frustration that could be remedied, we feel, by the hiring of additional staff as the numbers of certifications to be processed increase. As a result of our involvement, Veterans' Administration regional offices in Florida are now copying all approved programs to Job Service offices, so they can more easily match veterans with the available jobs. This type of cooperation and communication needs to be implemented nationwide.

I guess the real question that we had asked was how much are we willing to give the Veterans' Job Training Act a chance to succeed. Other job incentive programs did not have deadlines, and in earlier testimony it was mentioned the time it has taken to get the Targeted Jobs Tax Credit Program going and then 9 months was given to the Job Training Partnership Act to get started. So we feel this program needs some time to be implemented.

Currently, the Job Training Act is hampered by two regulations that, if not changed, we feel will make a significant difference as to the success of the program. Our recommendations are that the problem regulations are that veterans must have their certificates of eligibility if they are to be hired by November 29, 1984 if they are to qualify under the programs. I believe that date is correct. That leaves over 500,000 veterans yet to be reached. To accomplish this in the next 8 months is next to impossible, especially with the lag that we see in the certification process. We recommend that the

date be extended so that veterans may be certified after the funding becomes available in November 1985.

Veterans must be hired and begin training by March 1, 1985. Again, the time limitations are too stifling to successfully reach veterans in time. Ameriserv recommends that date be extended to November 1.

We did do a survey in December of 1983, which indicated that of the 67 corporations that did return the survey, with over 246,000 annual hires, the survey indicated that 55 percent of them were not knowledgeable of the act. This was in December of 1983.

Our clients, as I said before, are willing to make a commitment to veterans, but we need a commitment made to the private sector that demonstrates willingness to give us the time and the financial support needed to make this program work.

To summarize, extend from February to November 1, 1985, the date that veterans have to be in an on-the-job training program. This will give enough time to promote the program to employers and give enough time for the employer to implement the program.

No. 2, allow the deadline for processing the veterans certificate of eligibility to move to November of 1985, and give the veteran every consideration to be certified for the program.

No. 3, closely coordinate activities between the Job Service offices and the regional Veterans' Administration offices so that the Veterans' Administration copies the Job Service offices with, one, any approved employers application for approval of a job training program, and two, a list of all the certified veterans in the local Job Service areas.

No. 4, hire additional staff in the Veterans' Administration to administer the program more effectively.

Ameriserv intends to track the veterans placed with our clients and maintain follow-ups from the employee and the employer. Forty thousand Vietnam and Korean veterans currently live in Florida. Ameriserv will be prepared to document the progress of this program and report our findings one year from now. The employer community is just now becoming aware of the service; 600,000 veterans are eligible for certification. We believe it is really past time to do something. We have an obligation to these veterans and let us now do something constructive to assist them.

I encourage you to make the recommended changes. I look forward to appearing before you again with hundreds of success stories. Thank you for the opportunity to speak before you today.

[The statement of Jeanette Randall appears at p. 138.]

Mr. EDGAR. Thank you very much for your testimony, and thank you for providing the committee with your efforts to match veterans with job training slots under the program.

I am a little bit surprised that with your enthusiasm heightened that you have only been able to place 1 job out of 114 or so.

Ms. RANDALL. At this point we have been involved in the program approximately 3 weeks, that's all. It is time-consuming. It does take time. I was hoping I would have more to report to you. As of yesterday, I am sure we were anticipating more being pleased, even as of yesterday.

Mr. EDGAR. We appreciate your involvement. We're not going to contract out to the Department of Labor, but that might be an

idea, to let you take over and, in terms of your enthusiasm, go out there and gather up——

Ms. RANDALL. We would be pleased to do that.

Mr. EDGAR. Your recommendations for changes I think are very helpful in terms of the deadlines and the ability—I think we have heard a number of witnesses today talk about the need for more time.

Have you seen any of the public service ads that the Department of Labor is so proud of?

Ms. RANDALL. No; as a matter of fact, in our discussion this past week, we determined that one of the problems was the lack of promotion for this program.

Mr. EDGAR. How did you hear about it? How did Ameriserv hear about the program that got you enthused about it?

Ms. RANDALL. We have been involved in targeted job tax credit. We are involved with tax incentive programs and working for the disadvantaged worker. When the bill first appeared, we were knowledgeable of the bill and of the program and have been enthusiastic about it.

Mr. EDGAR. Thank you. I have no further questions, and I appreciate you taking the time and your patience today.

Ms. RANDALL. Thank you.

Mr. EDGAR. Our next witnesses will come from the veterans' organizations. I would like to ask the VFW, the Jewish War Veterans, and the Disabled American Veterans to come forward as the first panel, then we will bring up the last panel there.

Mr. Schwab, director, National Legislative Service, VFW, if you would like to begin. Again, we would ask everyone to try to summarize their statements. I know it is difficult when you have prepared important comments to make, but given the pressure of time, it would be helpful if you could summarize.

STATEMENTS OF DONALD H. SCHWAB, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES; JOSEPH ZOLDAN, NATIONAL COMMANDER, JEWISH WAR VETERANS OF THE UNITED STATES OF AMERICA; AND RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

STATEMENT OF DONALD H. SCHWAB

Mr. SCHWAB. Thank you, Mr. Chairman.

With the number of witnesses who preceded us, there is no sense to be redundant and rehash the figures that have been quoted over and over again. Just let me say that the VFW supports and applauds the committee's recommendations to the Budget Committee to increase the budget by $75 million for the Jobs Program in fiscal year 1985. In addition, we would urge an early supplemental appropriation, if the program so dictates it, in a timely fashion.

Mr. Chairman, after giving serious consideration to the tremendous potential for this program, coupled with the increasing enthusiasm demonstrated by employers, such as those at a recent symposium, we have serious misgivings with respect to the present time limitation for participation in the program. In effect, Mr. Chairman, there is only a 1-year implementation life span for the Emer-

gency Veterans' Job Training Act of 1983. Experience with the various major veterans employment initiatives during the last 10 years, such as the targeted job tax credit program, demonstrates that it takes at the very least 6 months for the employer awareness to develop.

Based on this, the present program will barely have started realizing its real potential before it ends. Such a situation can only lead to further frustration on the part of those veterans who would benefit from such training opportunities and the employers interested in participating. Therefore, the VFW urges this distinguished subcommittee and the full committee to develop a dialog with the Assistant Secretary for Veterans Employment and Training and the Administrator of Veterans Affairs to determine the need and feasiblity for extending the application and start-up time from 6 months to 1 year.

This concludes my summary, Mr. Chairman, and I will be happy to respond to any questions you may have.

[The statement of Donald H. Schwab appears at p. 144.]

Mr. EDGAR. Thank you very much.

Mr. Zoldan.

STATEMENT OF JOSEPH ZOLDAN

Mr. ZOLDAN. Mr. Chairman and members of the committee, it is an honor for me to appear before you today on behalf of the Jewish War Veterans of the USA to discuss our organization's views on the Emergency Veterans' Job Training Act of 1983.

Today, JWV of the USA is angered over the VA's decision to eliminate funding for this program in fiscal year 1985, after just two months of operation. Considering the fact that this program received funding on November 29, 1983, a decision to discontinue it is premature. The program has been in operation for only 3 months. This short time period is not sufficient to determine effectiveness.

Our initial impression is that this public law is working, and figures from the VA support our contention. Despite the delay in funding of nearly 3 months—between the signing of the law and its receiving appropriations—2,500 veterans have received jobs in approved programs. The VA projects, based on an average $6,500 reimbursement cost, that over 20,000 job slots will be filled under this program if all the funding for fiscal year 1984 is used.

The fact is, many Vietnam veterans lack the necessary skills needed to find employment in today's work force, even in a strong economy. Yet, the rationale given by the VA and OMB for eliminating funding in fiscal year 1985 is that economic conditions causing enactment of this public law have been alleviated.

The problem with the administration's analysis is that improved economic conditions will not guarantee employment for Vietnam veterans unless they are properly trained. A closer examination of recent unemployment statistics and our economy clearly demonstrates the weaknesses in the VA's and the OMB's argument.

For instance, those Vietnam veterans 25 to 39 years of age, the group that most closely corresponding to the bulk of the Vietnam era veteran population, had a 12.2 percent unemployment rate in January of 1983. One year later, this figure declined to 8.5 percent,

still a relatively high figure. Those Vietnam veterans 25 to 29 years of age have even higher rates of unemployment. One year ago, 21.8 percent of this age group were unemployed, and today that figure decreased to only 15.8 percent. These rates of unemployment are not acceptable.

The decrease in unemployment and economic growth has been limited to nonindustrial high technology areas. Growth in industrial areas is dependent on retraining workers. This makes job training even more imperative if Vietnam veterans are to acquire skills necessary to find employment in industrial areas.

JWV of the USA supports the House Veterans' Affairs Committee proposal of authorizing $75 million to fund the Emergency Veterans' Job Training Act. We would also support the reinstatement of unused funds from the fiscal year 1984 school program carried over to the fiscal year 1985 budget to be used in the job training account.

It is apparent this program has barely had a chance to demonstrate its effectiveness and it would be entirely premature to cancel this much-needed program. We must continue our commitment to retrain our Vietnam veterans now. The program should have at least a few years to prove its effectiveness.

Mr. Chairman, thank you for letting the JWV of the USA give our views on this important matter.

[The statement of Joseph Zoldan appears at p. 149.]

Mr. EDGAR. Thank you very much.

Mr. Drach.

STATEMENT OF RONALD W. DRACH

Mr. DRACH. Thank you, Mr. Chairman.

On behalf of the DAV, I would like to welcome you back as the chairman of this subcommittee, if even for only this afternoon. I would also like to publicly commend Chairman Leith on behalf of the DAV for his efforts as the principal architect of this legislation, and also to all the other members of the committee for their support.

Perhaps most significantly, we would like to thank you all for having these hearings, when you're having them today. I think if we had waited much longer it would have been too late. I think we can still salvage something from this legislation. We still have about a year-and-a-half and I think we can make something for a lot of the program if some of the mistakes that have been made have taught anybody anything and they overcome some of these mistakes and make the program functional and work.

Some of the reason we hear about why the program hasn't worked yet is the program got off to a slow start, the funding was not appropriated immediately, the funding only became available during the Christmas holiday, which I find kind of incredible. I guess the executive branch closes down for Christmas, I'm not really sure. And perhaps the most significant is the inability to identify employers who are willing to participate.

I am reminded last summer in another committee when the administration was opposing the legislation. They were told to start gearing up for it, you're going to get this legislation, and there's

going to be a law passed and you ought to start. Well, they waited until the first of 1984 before they really started doing anything, and I think they have given us some very weak excuses as to their failure so far.

We also obviously have not learned from our past mistakes. If you look at some of the other programs that have been targeted toward veterans over the years, one of the big problems of why the program didn't work was the inability or the ineffectiveness of identifying employers. Right now we have a ratio of about 10 to 1 eligible veterans for every job opening. We spend a lot of time in outreach to the veteran but very little to the employer. If you look at some of the studies that have been done, we can see that. Perhaps bureaucratic ineptitude has come into play and the VA's long-standing reluctance to become invoved in employment and training programs is a big stumbling block.

We recognize that the numbers of replacements are changing daily. I would point out that in my statement I used data that was given to us at a meeting last month, only because I know it changes every day. The figure we heard today was 91,000 eligible veterans. Well, even at 90,000, if we only averaged $5,000 per employer per job for each of these 90,000 veterans, that's $450 million. The administration is saying we don't need beyond $150 million. Then obviously, we're only going to serve one-third of the 90,000 veterans that have already been determined to be eligible. So if that's the case, and they don't want to come back and ask for the additional $150 million, we ought to stop certifying eligible veterans and focus in on the ones already found to be eligible and try to get them into meaningful employment and training programs.

As I said, each employer that has been approved on average authorizes about 2.5 jobs, and for every job there is approximately 10 eligible veterans. At that rate, the 90,000 obviously are never going to be placed.

Dorothy mentioned this morning the flier that the VA developed. They did a printing, I think, of 650,000. She indicated several targeted people or groups that got the forms. I represent a veterans organization and I never got one mailed to me. One was hand-delivered to me in Albuquerque, NM, by a VA official. I have yet to receive one in the mail. I have been informed that the VA did not send any of these to the employer, any employer. Although one side of them is addressed to the employer, they made no effort to identify or mail these fliers to employers. I don't understand how they expect employers to come and identify themselves and sign up for the program if the employers don't know about it.

I was happy to hear and I'm still not sure—I will have to review the transcript of the hearing when it's available—whether Dorothy Starbuck indicated they will or will not remove the black box from the certificate of eligibility. I just got a letter from her on March 19, 1984, saying, in essence, that they were not going to remove it. Today, I think she said they were going to remove it. It's interesting, and if you will just bear with me, I would like to quote from her letter.

> The Congress wanted the employer to become aware of the limited funding. The committees intended that the certificate of eligibility should specify that the induction of trainees would be subject to the availability of funds. We were mindful of the

limitations placed on the funds and the congressional expression to include such a caution.

I only wish that the executive branch would pay that much attention to all the directions they get from Congress. If they did, maybe we wouldn't be here today.

Somebody made mention this morning about the confusing public service announcements. Well, I haven't seen any on radio or TV. I did have the opportunity to view them in private, and I am thankful I did view it in private and not in public. The confusion, I think, when you see the one that was made by the Department of Labor, comes from whether they're trying to sell veterans or whether they're trying to sell Hub furniture. They went out and used two actors, who coincidentaly do the Hub furniture advertisement and that's how I came up with the analogy with Hub furniture. I just find it incredible, with the highly visible people we have—Mr. Plowden, Mr. Shasteen, Mr. Walters, any number of people in the Executive Branch would have been ideal people to do the PSA, and they went out and got actors. It is very obvious that they were acting. If I were an employer, I would not be enticed by these ads and come in and sign up for the program.

In conclusion, there are some positive things happening. As I said, a lot can be salvaged from the program if we learn from our mistakes in the past.

Being that you chair the Subcommittee on Hospitals and Health Care, I want to make mention of the program in Albuquerque, NM. I went down to a press conference and a symposium a month-and-a-half ago and something positive came out of that, in addition to the announcement about the emergency jobs bill, in that we found the contractor who received the contract to build the VA hospital in Albuquerque was not listing any of the jobs with the local Employment Security Office. Not one veteran was being hired. To the Department of Labor's credit, they did come back and called on this contractor to find out why he was not doing anything. Subsequent to that, at least the contractor has agreed to sit down and talk with the Albuquerque Job Service and start listing their jobs which hopefully will result in some meaningful employment opportunities for veterans in the Albuquerque area.

There are some things coming up. The VVLP is going to be doing a program later on this month that I think has some potential to draw some employers in and helping these employers walk through the process of filling out the application. I think there is some very positive things that can come from that, and whether it is run by VVLP or somebody else, I think a prototype can be drawn from what they are trying to do and perhaps replicated in different parts of the country, which again, hopefully, if it's geared to the employer, will bring more of the employers into the program and create more employment and training opportunities for the program.

That concludes our statement, Mr. Chairman.

[The statement of Ronald Drach appears on p. 153.]

Mr. EDGAR. Thank you very much.

I was amazed at your comments on the public service announcements regarding the actors. I was going to ask where the beef was, but I'm not going to ask that question. I think we did hear from

the Department of Labor and that they plan in May to go out with a new set of radio and television spots, and I hope they will make that available to the veterans' organizations as well.

I have a problem. The problem just came up today, and it's a psychological problem. That is, we have told 91,085 veterans that they are certified. We have said there are 20,116 job slots that we have identified. We have put about 2,800 or something like that, 2,500 people, to work under this program at an expenditure so far of $13 million, something like that.

Let me share my problem. Aren't we saying to some 89,000 veterans who are certified, "You went through a lot of work for this program and only a few of you are going to get a shot at any of this". We heard testimony earlier that some of the businesses don't want to sign up because they have been through veterans programs before and have gone through all the red tape of Federal programs and don't want it any more. Aren't we really creating a whole cadre of unemployed Vietnam veterans who are once again being stressed?

Mr. SCHWAB. Mr. Chairman, both you and Mr. Solomon questioned the Department of Labor about their enthusiasm for the program. That tickled me, because the administration opposed the enacting legislation. There is no question about that. It's a matter of record. When the legislation passed and, under pressure from veterans organizations, when the President signed the legislation into law, and at our VFW convention, with full TV coverage, he got all the mileage he could out of it. We were shocked when the 1985 budget contained no funding for this jobs program.

Now, enthusiasm, if you know your boss has been against something and he has to reverse his position and do it anyway, I just wonder how burning that enthusiasm is going to be—within both agencies, really.

Mr. EDGAR. Mr. Drach, do you have any comments on that?

Mr. DRACH. Yes, Mr. Chairman. I think what you just said reverts back to some of the issues that were developing during the development of the legislation last summer. As you may recall—and I can't speak for the other veterans' organizations—but I know that the DAV for a fact went on record with the Senate side that we wanted this to be an entitlement program. There was a big objection, as you know, on the Senate side to making it an entitlement program, and they prevailed. It is not an entitlement program, so very obviously all of the so far determined to be eligible veterans cannot be served. Even if the administration or the Congress were to put the additional $150 million in for 1985, which is authorized by the legislation for 2 fiscal years, we still can't serve the 90,000. Even if the administration's projections of an improved economy come true and we place those 90,000 through EVJTA and other means, that still leaves over 600,000 unemployed Vietnam veterans that had become unemployed and are still unemployed. I just don't see how they're going to address the problem.

Mr. EDGAR. Any other comments?

Mr. ZOLDAN. Yes, I would like to make a comment.

My background is that of a small businessman, from the middle West not unlike what you referred to as the "mom and pop", a small business. My experience is—and I am sure most business peo-

ple's experience is—that when you make an investment, you really can't expect that investment to bring returns immediately. We are really asking for too much too soon, or too much too fast, in this whole program. You are really just getting started. We have an obligation to take care of the Vietnam veterans and to help them get back on track. If we think that by waving a flag and saying "here's $150 million," we will get them all off the streets in 3 months, we're kidding ourselves. This takes time. You know it and I know it. I'm a businessman and you're a Congressman.

The Congress has invested a lot of money in Central America, in the Middle East. They didn't get instant results. We can't expect instant results by investing money in these young men's lives, in their future. If we don't pursue this, we're not doing the thing we're obligated to do as citizens and as Americans. Believe me, you give this a little time and the program will succeed, because these boys don't want to be out on the street any more than you or I. They want to be gainfully employed, they want to be trained properly, and they want to be able to join the mainstream of society.

Thank you.

Mr. EDGAR. Well, comparing this program to the funds that we have spent in El Salvador, this is a great success.

Mr. ZOLDAN. I was just at the State Department yesterday—and you know what I'm referring to. That is why I'm saying we can wait a few more months to see some results.

Mr. EDGAR. Thank you. I have no further questions.

Let me now bring up the last panel. You do hear the bells ring and hopefully I can ask Mr. Evans to chair the remainder of the hearing. We do have to split for 10 minutes to cast a vote.

Mr. EDGAR. Let me ask the remaining people to come forward from The American Legion, the Military Order of the Purple Heart, the Vietnam Veterans of America, and the Vietnam Veterans Leadership Program of Massachusetts.

Again, thank you for your patience today. All of your statements will be made a part of the record and we ask that, if possible, you summarize the points that have not yet been made. I call first on Paul Egan.

STATEMENTS OF PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION; MAURICE E. LOIR, LEGISLATIVE DIRECTOR, MILITARY ORDER OF THE PURPLE HEART OF THE U.S.A., INC.; DENNIS K. RHOADES, EXECUTIVE DIRECTOR, VIETNAM VETERANS OF AMERICA; AND RICHARD J. DUCEY, EXECUTIVE DIRECTOR, VIETNAM VETERAN LEADERSHIP PROGRAM OF MASSACHUSETTS, INC.

STATEMENT OF PAUL S. EGAN

Mr. EGAN. Thank you, Mr. Chairman.

The American Legion appreciates the opportunity to appear before you this afternoon to discuss the progress, or lack of progress, being made concerning the Emergency Veterans' Job Training Program enacted last August.

Frankly, we are disappointed in the apparent lack of success this program has had in fulfilling its objectives to date. Early on, following enactment, it became clear that appropriations to carry out

the program were going to be delayed. Though this was unfortunate, funding finally was made available allowing the program to begin around the first of the year.

We have to believe, Mr. Chairman, that the delay between enactment and program implementation has given many potential employers of veteran trainees cause to be doubtful about the program's sincerity. In that regard, we sought to publicize this program using virtually every available Legion publication for the purpose of educating potentially eligible employers as well as veterans. Presumably, our efforts, in conjunction with those of the other organizations, the Department of Labor and VA, have been somewhat successful in reaching the potentially eligible veteran. We seem to have been less successful in attracting potential employers, given the ratio of veterans judged eligible to job placements. The infamous black box on the application has certainly made attracting employers more difficult.

After having said that, there is a provision of the law requiring cooperation from SBA—and this is a point I haven't heard all day. Since most new jobs that are added to the national economy are created by small business, we have to believe that SBA is perhaps in the best position to point VA and Labor in the direction of specific potential employer trainers, either already in business or just having opened their small businesses. We wonder whether or not SBA has been asked by VA and Labor to cooperate, as required by law, and if not, why not. We also have to ask whether or not SBA has sought specific direction from VA and Labor in the fulfillment of its obligations under the program. Again, if not, why not.

By these questions, Mr. Chairman, we are not implying any dereliction of commitment by any one of the individual agencies involved. Instead, we submit that better interagency coordination would help things considerably.

Thank you.

[The statement of Paul S. Egan appears at p. 165.]

Mr. EDGAR. Thank you very much.

Mr. Loir.

STATEMENT OF MAURICE E. LOIR

Mr. LOIR. Thank you, Mr. Chairman. I will try to summarize this as briefly as I can.

Mr. EDGAR. If the gentleman will hold for a moment, those are the second bells and I must leave. Mr. Evans is coming back to chair the hearing.

Let me ask each of you a question. Would you be willing to give your testimony while I slip away only to the staff, or do you want to wait until Mr. Evans gets back? Let me leave it up to you? Would you prefer to wait until Mr. Evans gets back?

Mr. EGAN. Since I have already presented mine, I will defer to the others.

Mr. EDGAR. Why don't you just talk amongst yourselves. It is up to you. We can recess for 10 minutes or I can leave it in the hands of staff and Mr. Evans will be right back to ask some questions. It's a matter of whether or not you have pressure of time.

Mr. RHOADES. No particular pressure, Mr. Chairman.

Mr. EDGAR. OK. Let's recess then for 10 minutes.

[Whereupon, the subcommittee was in short recess.]

Mr. EVANS [presiding]. If we could reconvene, I know I haven't set any world records for the 250-yard dash between the Capitol and here, but I would like to resume if we could. I understand Mr. Loir, with the Military Order of the Purple Heart of the USA was testifying. So, Mr. Loir, if you would please continue.

Mr. LOIR. Thank you, Mr. Chairman. I will try to summarize and be brief.

We have long been disappointed with veterans employment programs in that they promise more than they have delivered. We found too many cases where the programs fell apart due to official apathy. We do note that on-the-job training programs probably offer the greatest chance for positive results. So we thought this would be an exceptionally good program, or it would furnish some exceptionally good opportunities, but we are rather disappointed with the way it has progressed so far.

We do not like the involvement of the Veterans' Administration other than for certification. The Veterans' Administration on-the-job and apprenticeship training programs, that have been in existence for some years in some areas of the country never seem to get off the ground. There are very few veterans enrolled, and I have run into too many examples of veterans who were unable to collect benefits because of employer dissatisfaction or union dissatisfaction. The Veterans' Administration was never able to solve these problems when basically it was a matter of public relations.

To have the OJT section involved in contracts like that certainly doesn't help to improve the situation. The OJT section normally has, in any regional office, about one field man, one field person. When you combine that with the staff of the Veterans Employment and Training Service from the Department of Labor, you're taking some rather large population groups and having them serviced by a very small group of people. You must rely on the local Job Service to do something to assist, and local Job Service assistance there I would describe as shaky at best. In some areas you get very good results; in other areas, you get an outright refusal for any services to veterans and no action is ever taken to correct that.

The Jobs Training Partnership Act can be of help if you have a person who had a proven record in the past. The difference between the Jobs Training Partnership Act and the CETA program basically is just one of names. The people running the program all seem to be the same. The ones who did a good job under CETA and with HIRE II certainly could assist this program a great deal, but there are too many that again were guilty of apathy. There were too many of them, too, that were guilty of political manipulations, so that the CETA program could not be depended upon that much and the Jobs Training Partnership Act will probably be more of the same, with less money being spent on it.

The programs could be improved with greater use of community and business organizations. Judging from the testimony from the Department of Labor this morning, there is a lot being done there, but I am totally unaware of it. I know of nothing that has been done in my home area, and I know, too, in my home area that if you want to deal with the State Job Service, the LVER's are part-

timers. Every one in the State divides his time between employment interviewing and veterans services. In some cases the DVOP staff does not have telephones and is not allowed to go in the field, so these people certainly can't go out and do much in the way of job development. These problems have been reported for some time, and I am waiting for a reply from Mr. Plowden on one particular problem at the present time.

Community groups can be very helpful, but we can run into a situation with community groups where you have job developers tripping over job developers, where you have one dealing with, say, the Hispanics, and another group dealing with the displaced homemaker, and another group dealing with youth, and so on, so that everybody gets in each other's way. This happened for a period of time under CETA. There is less chance of it happening again today, but still, there is the possibility.

The Jobs Training Partnership Act, title 4(c), can be used to quite an extent if we pick the right people. I think that would be needed to rescue the Emergency Veterans' Job Training Act and the community organizations will be needed as well. There again, we have to look at past history. Some of them did rather poorly in serving the veteran. Some of them are still guilty of political manipulation and apathy. Those particular groups will have to be avoided. But without the second year funding, and without a greater effort on the part of the Department of Labor to deal with the business community, I can only see the same results that we have had in the past on HIRE I and HIRE II and some of the other programs, where we will get a few outstanding performances in some parts of the country and that's about it. In the rest of the country, and for the veteran as a whole, not much will be accomplished.

Thank you.

[The statement of Maurice Loir appears at p. 170.]

Mr. EVANS. Thank you, Mr. Loir.

Mr. Rhoades.

STATEMENT OF DENNIS K. RHOADES

Mr. RHOADES. Thank you, Mr. Chairman.

Rather than summarize my statement, since it is going into the record anyway, I would like to make a few comments on some of the issues that have been raised here today.

I think it is important to understand what the Emergency Veterans' Job Training Act really does and does not do. I think the administration has missed the boat on this, too. By eliminating the second year of funding, the administration is treating Public Law 98-77 as a cyclical employment program for veterans.

Well, I'll tell you, I have been around this business for 15 years, and for 15 years I have been hearing about the unemployment problems of Vietnam vets. It isn't going away; all the cyclical remedies that we have had way back to 1970 have not worked. What we need is a structural employment program, and I think that's what we have in 98-77. It is not a make work program. It is a program which gets veterans into career-oriented jobs, and that's been needed all along. To do away with the second year of funding is, to misunderstand what the purpose of this program is.

There was some discussion earlier in the hearing about the proof of military service that the VA requires. Currently, it does require either an original or a certified copy of the DD 214. Mr. Chairman, I assure you, that does slow the process down. Many veterans who are applying for participation in the program have never done business with the VA, so the VA has no record on them and, of course, many of them have lost their original DD 214's. When you lose your original DD 214, you have to write to the Military Personnel Records Center in St. Louis, and that's a process which takes at least 3 to 4 months.

We think that the VA's timeliness standards do need to be effectively enforced and tightened. VA Central Office and regional office management need to exercise considerably more leadership in assuring that when a veteran applies for a certificate of eligibility, he gets it within the time period, and when an employer application reaches the VA, it gets approved in a timely manner.

Another point I would like to talk about is the qualifications of the DVOP's. We have heard here that some of the DVOP's are not qualified to do job development. That is certainly true. I just came from the VA regional office in Los Angeles, and one of the arrangements we worked out with the local employment service is to select the cream of the crop among the DVOP's in the area and form them into teams. These teams would then go out and do the job development for the area. It is a system which thus far has worked fairly well.

Another issue I heard raised was that DVOP's don't have time to work on 98–77; they've got other work to do. I happen to have been associated with the DVOP program from its inception, and I will tell you the DVOP program was meant to do precisely the kind of work, set out by Public Law 98-77. If the DVOP's are sitting in the office doing mainstream veterans placement work, they aren't doing what section 2003(a) of title 38 says they're supposed to do.

Mr. Solomon earlier raised the question, why not just open the flood gates and let the veterans go out to all the employers have been approved and take their chances? That creates more problem than it solves. One of the great criticisms of the Job Service by employers is they get too many unqualified applicants wasting their time during the business day. We support the policy that requires the Employment Service to do prescreening of applicants. As a matter of fact, we think some Job Service offices ought to do considerably better screening than they're doing now. The Job Service needs to examine its client files to develop jobs with employers to match what their clients' needs are. I am not sure whether that is being done in all areas. I am not even sure that it is being done anywhere. I think this matching of clients to jobs has to be approached a lot more systematically than is being done so far. I would think that the VA and the Labor Department ought to get together and provide a little guidance to the Job Service and to regional offices on exactly how you develop a marketing strategy for job development.

There was some comment about the Job Training Partnership Act, title 4(c) dollars. These dollars are very limited. We're talking about $7 million at the most. These funds should be used to augment the Employment Service's efforts to provide job development

as well as to provide client support programs for those veterans that are really disadvantaged. We think that's a very sensible use of the money and we would like to see the Department of Labor develop a plan to do that.

In summary, Mr. Chairman, we are in full support of this program. We don't think there is undue cause for alarm because the hires are currently lagging for behind veteran applications. The veteran applicants have been out there a long time, and they're hungry. Employers are just starting to learn about it. Having been in government for a number of years, I agree with the statements that have been made here today by other witnesses. It takes a good 6 months to develop a program and iron the bugs out of it. So we're looking forward organizationally to supporting it.

[The statement of Dennis K. Rhoades appears at p. 174.]

Mr. EVANS. Thank you, Mr. Rhoades.

Mr. Ducey.

STATEMENT OF RICHARD J. DUCEY

Mr. DUCEY. Thank you, Mr. Chairman. I appreciate the opportunity to be here today. I will briefly summarize my written testimony and perhaps present an overview also of some of the things I have heard here today for the record.

It has occurred to me and, in fact, it is the law, that because of the condition of the economy, many persons, including many veterans who have previously been successfully employed are currently unemployed, and further, many persons, including many veterans who have lost jobs, who have skills in fields of employment which are declining, are the target group for this legislation. I think one of the things that seems to be happening is that the focus is being applied to the disadvantaged and hard core unemployed which should be being served under Title 4(c) of the Job Training Partnership Act, complete with rehabilitation and support services.

This program was meant to assist, again as Mr. Edgar pointed out in places like Pennsylvania, the dislocated worker because of the shift in the economy from the so-called "smokestack" industries to service industries.

Miss Starbuck pointed out this morning in her testimony that the average starting wage is $6 an hour. This is woefully inadequate for an average 35- to 40-year-old veteran with two children and the responsibilities that come with that. That would come to $11,000 a year gross income, which as you know is only a couple of thousand dollars over the poverty level.

Coupled with that you have an unemployment criteria of 15 weeks, which I believe, in view of the concern over the $90 billion underground economy, almost forces an individual who needs to keep his family together either into the underground economy or into underpaying jobs, because of his motivation and need to survive, which would disqualify him for this program. I would certainly hope that the focus and intent of the law is not lost in the implementation of this legislation.

I would also like to point out again in that same regard that Mr. Roach's submitted testimony pointed out that many employees feel that the program is designed to help only the so-called "problem

children" and not the good, hard-working veteran. There are some figures that have been kicked around for a number of years regarding a condition of post-traumatic stress disorder that is suffered by 20 to 25 percent of the Vietnam veteran population, but that means 75 or 80 percent of the Vietnam veteran population in a career is a positive member of his community and is striving to build a better life for himself and his family.

If he has been displaced, I would say that this legislation was targeted to him, because quite frankly, the 20 or 25 percent of the veterans that have those readjustment problems have programs such as the VA Outreach Program, the Job Training Partnership Act, title 4(c) program, various alcohol and drug rehabilitation programs that will get him job ready. The displaced worker, however, has not had major legislation for career-type employment opportunities addressed to him ever. We are at a time in our lives where, if we are not on career paths within the next few years, we will not be able or eligible for career type opportunities. That, quite frankly, is a major concern. I feel that the Vietnam veteran should be able to take his rightful place with his nonveteran peers.

Also, there is the issue under proposition 13, proposition 2½, and the economy overall, the issue of veterans who are the last hired and, therefore, the first fired. I would hope that this jobs bill would affect them.

We have seen in Massachusetts, under proposition 2½, with the substantial reduction of teachers in the marketplace, a program that was developed by a community-based organization in conjunction with the private sector, based on the fact that the employer felt, obviously, you've got somebody that has been teaching in the public school system for ten years, somebody with a steady work history and somebody who can be retrained and will be a valuable employee. That kind of a program and that kind of a focus on the job-ready veteran is, according to my interpretation of the legislation, what this program was all about.

Thank you very much.

[The statement of Richard J. Ducey appears at p. 183.]

Mr. EVANS. Thank you, Mr. Ducey. I guess I would like to start out with a question directly to you.

As much as I appreciate coming from a district with 15 to 16 percent unemployment, with many Vietnam veterans in that area, we have to draw lines here. And I guess my concern is that—and I know it was perhaps unintended by you trying to make this into a program primarily for displaced workers. We would relegate those veterans from poor backgrounds, particularly minority veterans, perhaps to the JTPA. I have not been really satisfied with the JTPA performance so far, again, another program just being implemented in my district. I'm not really satisfied with either this emergency jobs program or the JTPA helping veterans.

I guess I noted something, a concern—and I don't mean to say you intended that—but that we don't get divided as a veteran community between the disadvantaged and poor veteran, who quite often is a minority veteran, or a person from a poor or working class background, as opposed to helping maybe more affluent veterans such as myself through a reliance here. I don't know if you intended that. I know we have to focus all of our programs, but I

would just hate to see us dividing one group of veterans against the other.

For example, the VA Outreach Program has been a very good program. It has not been funded to the extent that it should have been, and we have had some allegations that the funding is not what it should be and should be applied more to the centers themselves. I would say probably the majority of unemployed veterans in my district have at least 15 weeks unemployment. So that is just one thing that I guess I bring up more as a comment than a question. I think it reflects my concern, as much as we want to help a lot of people that have been working at places like John-Deere and International Harvester for 14, 15 years, and now have lost their employment through no fault of their own, they need to be retrained, that we not forget our brothers and sisters who have never had the jobs and who got out of the service.

I guess maybe there is a bit of distinction, in listening to Mr. Rhoades, between you two, because I think Mr. Rhoades, in my opinion, is correctly stating this as a structural problem, a problem that for many veterans has persisted since they were discharged from the armed services since their service in Vietnam. So I guess that's a comment, not really a question, but maybe you have a response.

Mr. DUCEY. In all honesty, Mr. Chairman, I would be more than happy to come back and testify for the need for increased funding for the VA outreach centers, as well as modifications for the Job Training Partnership Act. However, I chose to keep those issues separate from the context of my remarks today. I believe that those programs are needed. I believe that the disadvantaged Vietnam veteran certainly deserves our full attention. When you consider the stress issue, the veteran often was doing very well prior to his entry and into the service and has not done so well since his return home. That is, in my opinion, a responsibility that we have to assist him in readjustment in whatever way we can.

However, I don't feel that the self-motivated Vietnam veteran, who has been employed for the last 10 or 12 years, again in Pittsburgh, where the steel industries have left, or in Detroit, where the auto industry has had some difficulty in the last few years, should be penalized.

Mr. EVANS. I would agree with that.

Mr. Rhoades, did you have a comment?

Mr. RHOADES. Yes. Would you permit me a comment for a moment, Mr. Chairman. Unless I'm dead wrong in following issues like this, I think one of the reasons that Public Law 98-77 came about in the first place is because of what we perceive as the appallingly poor consideration of Veterans in JTPA in the first place. Consider that we're getting $7 million for veterans out of a multibillion dollar program, which for the most part does not address or attempt to address the needs of veterans. I suspect that if JTPA really worked for vets, we would have far less need for 98-77. But the fact is the legislation is written as it is written, and I think this committee in particular realized it just wasn't enough.

Mr. EVANS. Mr. Egan?

Mr. EGAN. Yes, I have one comment.

I think we can all agree it's not a good idea—we probably would all concur with you, that it's not a good idea to make distinctions between the displaced veteran or any other veteran in need of a job. However, I think it's important to recognize that what we're dealing with here is an emergency job training program and it grew out of a very severe recession in which a number of people were displaced.

Like the DAV, we supported this program as an entitlement. Had that been the case, we wouldn't be making distinctions. I think in the discussions of this legislation there was a need to decide who was going to be eligible, and as it turned out it was going to be Vietnam and Korean veterans. Maybe it should have been all the veterans. But we have some appropriations limitations, and at least for the time being I think it is appropriate to order what we do first.

Right now we have a chasm between the number of veterans that are eligible and the number of veterans that have been placed. It seems to me that the first thing we have to do is address ourselves to spending the $150 million that's already been appropriated.

Mr. EVANS. I think we could all agree on that.

I take well your point about even the World War II veterans, many of whom have lost their jobs in the smokestack industries and are getting up there in age, and maybe even if they get the retraining, may not be able to get jobs because of their age. That may be another problem we will have to address with subsequent legislation.

I have not really had the opportunity to read all your statements today, and I apologize for that. So I won't try to ask very in-depth questions. I will take the time to read the testimony you have given, Mr. Egan, because you have testified before and I wasn't here. I'm sorry. I will read all your statements in detail. If I have other questions, I may submit them to you in writing.

Are there any other statements or comments? Mr. Loir?

Mr. LOIR. Mr. Chairman, I had a CETA title VI project back in 1978 on job development. We were only allowed to work through one office of the State Job Service. We had a considerable number of problems. The CETA prime sponsor, or the county commissioner involved, did not want to see anything happen, did not care to see anything happen, but here's the money and we can say we had a veterans program. So in the one office, where they tried to keep me out and were forced to take me in because of an agreement with the Job Service, we had over 300 jobs. This was done by one man walking around business to business and contacting personnel managers, and we concentrated on Federal contractors. There were many job openings, there were many employers who did not want to deal with the Job Service and we used the idea of the Federal contractor job listing. You know, "we're saving you the problem of listing the jobs with the State."

It worked very well, where it was allowed to work. It was only allowed to work because the particular office manager of the Job Service involved said "I want no part of it."

Mr. EVANS. Where was this at?

Mr. LOIR. That's the reason why it worked.

Mr. EVANS. Can you tell me where this was at?

Mr. LOIR. Nassau County, NY. Since then it has split to two CETA prime sponsors, and now you have the same organization under the JTPA, the practice that has developed since then in one of these groups, one of the SDA's there, is to screen your applicants, especially the veterans. The veteran applicant must have proof of draft registration. A veteran applicant has to meet certain criteria. The definitions are selectively used because they are looking for a program that is a fabulous program statistically. So if you look like a loser, they selectively use the definitions to put you out on the street, and if you look like a winner, you're going to be taken care of very fast and you'll move right into a program.

This is a common practice with a lot of the former CETA prime sponsors who had very good statistical records. That's the way they gained them. In many cases it was the veteran that was hurt the most by it.

On one point, on veterans being hurt, I ran into any number of cases with female veterans, where because they were married they were being denied services as a veteran. That is a very prevalent attitude that was reported time and again by the Veterans Employment Service, and I know of cases in New York State, in the on-site review that the Job Service does on itself, many of these things were reported but never any corrective action. In fact, one of those managers involved in that even got promoted following a few very bad reports.

If we could shake up this whole system and get things a little bit more organized, we might have some accomplishment.

Mr. EVANS. We appreciate your organization's efforts in that regard, all of your organizations, for that matter, being involved. We appreciate your testimony today. I know you had to wait all afternoon to testify, so we appreciate your patience.

One of the things I've been thinking about doing, quite honestly, after listening to all this testimony, is maybe doing the mailing out of my office to the employers and at least making sure they're aware of the program, and they can consult me if they have any problems with the VA or in the implementation of this program. So I hope to get feedback from employers in my district after listening to your testimony today.

Mr. EGAN. Mr. Evans, since you didn't hear my summary, I think the principal point I wanted to make, and I think every member of this subcommittee should be aware of it, is the fact that the law requires the cooperation of the Small Business Administration. Nobody has talked about the Small Business Administration today.

The question is, to what extent is SBA cooperating, as required by law, and to what extent have the VA and Department of Labor asked SBA to cooperate. That is a question that I think needs an answer because if small business creates most of the new jobs in this country, then SBA ought to be in the best position to point VA and the Department of Labor in the direction of those specific small businesses.

Mr. EVANS. I appreciate you making me aware of that. I don't know why they couldn't come today because I am sure we would have had questions. I will ask the chairman, Mr. Leith, of Texas

about this matter and see what we can do in regards to perhaps getting a hearing where they can come and answer some of these questions.

It seems that, if they don't testify, maybe they're not all that interested.

Mr. EGAN. I think it is important to say that no one of these agencies is to be indicted particularly. It is just simply a question of interagency coordination. We have an emergency program and we need to take some extraordinary means to put the program into place and make it work.

Mr. EVANS. I wish they had shown up. There may have been some circumstances which prevented them. But I would like to talk to the chairman about this and see what we can do to get some word from them, maybe another hearing, if possible.

Mr. EGAN. We would appreciate it.

Mr. EVANS. Mr. Egan, Mr. Rhoades, Mr. Ducey, Mr. Loir, thank you very much for waiting all afternoon. This concludes our hearing.

[Whereupon, at 2:30 p.m., the subcommittee was adjourned.]

APPENDIX

STATEMENT OF

DOROTHY L. STARBUCK

CHIEF BENEFITS DIRECTOR

VETERANS ADMINISTRATION

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

April 5, 1984

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here this morning to brief you on the operation of the new job training program brought about by the Emergency Veterans' Job Training Act of 1983. On August 15th of last year, the President signed into law H.R. 2355, 98th Congress, which is now designated as Public Law 98-77. This law established an emergency program of job training assistance for unemployed veterans of the Korean conflict and the Vietnam era. It also expanded the targeted delimiting date extension program currently authorized under chapter 34 of title 38, United States Code, to permit veterans to pursue associate degree programs, provided that such programs are predominantly vocational in content.

Mr. Chairman, I would like to say a few words about our implementation of the new job training program. As you know, the Veterans Administration (VA) and the Department of Labor (DOL) are jointly

charged with implementing the Act. The VA has responsibility for approving employer training programs, for determining veterans' eligibility, and for administering funds. The Department of Labor has responsibility for developing employment and job training opportunities, including job placement. Both agencies are required to cooperate in outreach and public information efforts, and in furnishing employment counseling. Immediately upon passage of H.R. 2355, work groups were established within the VA to develop procedural instructions for use in administering the Act. In formulating these instructions, we have maintained close coordination with the DOL to assure the most efficient use of each agency's resources and to prevent unnecessary duplication.

I would also like to present a brief chronology of the VA's efforts to disseminate operating instructions to our field personnel. On August 18, 1983, we issued our first instructions as DVB Circular 22-83-6. We outlined therein highlights of the Act and included instructions for handling claims for the targeted delimiting date extensions. On September 21, 1983, we issued more complete instructions as DVB Circular 20-83-25. During September 1983, we formulated detailed instructions for administering the new program, and used draft versions of these instructions in joint training sessions conducted by the VA and DOL at the end of that month. These training sessions were conducted in Kansas City, Reno, and here in Washington. Participants included field staffs of both agencies. Topics covered included the policies and detailed procedures necessary for those in attendance

to be able to further instruct other field personnel in the operation of the program. As a result of this training, VA personnel, in turn, instructed over 3,000 Disabled Veterans Outreach Program personnel and Local Employment Representatives at the local level. The final versions of the draft instructions used in the training sessions were issued as appendices to DVB Circular 20-83-25. Other procedural instructions for Target system entitlement determinations and employer approval information were published on October 5, 1983.

We published instructions about outreach and public information, adjudication of veterans' claims, and VA counseling services. VA field stations were prepared to begin processing applications from veterans and employers by the first week of October 1983. All forms necessary for the operation of the program were designed, cleared through OMB, printed, and distributed by early October 1983. Completed applications were maintained on file in our field stations pending the appropriation of funds. As soon as the initial funding was appropriated, but prior to its release to the Agency, our stations began processing veterans' applications to participate in the program. On November 29, 1983, all stations were notified by telephone that processing could begin on employer applications and reimbursement amounts could be obligated.

Our processing instructions require that the adjudication of a veteran's claim be implemented within 7 workdays of the date of receipt of the claim in the regional office. The only exceptions

involve cases that need further information from the veteran or require other development to verify military service. Interest in the program has grown substantially. By the end of December 1983, we had received approximately 37,000 applications; by the end of January 1984, we had just over 68,000; and by the end of February, over 98,000. As of March 26, we had more than 126,000 applications received. We have processed 85 percent of these applications, or about 108,000. Out of this number, just over 91,000 applicants have been approved.

Once a determination of eligibility is made, a Certificate of Eligibility is mailed to the veteran. The veteran may then present this Certificate to an employer who has an approved program. Employment counseling services are available through the VA or the State Employment Service to assist eligible veterans in selecting a suitable program of job training. As of March 26, 1984, 33,376 veterans, or 37 percent of veterans issued Certificates of Eligibility, had requested VA employment counseling services. A significant number of these requests are for a wide range of information and assistance, of which employment counseling is only one. In addition to employment counseling services, veterans can also receive help from the State Employment Service offices in being placed with participating employers.

With regard to employer applications, we have directed VA regional offices to assign such applications a high processing priority. In cases that can be approved or denied without

further development, we ask that the station issue a response to the employer within 10 workdays of receipt of the application. However, the response deadline will be further reduced to 5 days if there is any indication that the employer has already located a particular veteran and wishes to hire him or her. Once a program is approved, the Education Liaison Representative at the regional office will immediately notify the employer as well as the State Employment Service so that they may refer veterans for employment.

Employers with approved programs may recruit veterans directly, or may work through State Employment Services or the VA. When an employer selects an eligible veteran for hiring, a "Notice of Intent to Employ a Veteran" form is submitted directly to our VA regional office in Houston. That office serves as the Central Processing Staff to control and account for funds and payment records.

Although initial employer response to the Emergency Veterans' Job Training Act has been cautious, indications of positive interest are increasing. This reaction is consistent with the slow start-up period associated with most broad-based national programs which, with time, are met with progressively more receptive attitudes. Mr. Chairman, I would also point out that the funding for this program, which I will later discuss in more detail, did not become available to the VA until November 27, 1983, thus contributing to the initial slow start of the program.

Although it is premature at this stage of implementation to assess the level of program success, I would offer some data on employer participation. At the end of December 1983 we had received a total of 1,564 employer applications; by the end of January 1984 the number of applications had increased to 4,051; and as of March 26, 1984, there were 10,805 applications received. We have processed 92 percent of these and, of those processed, have approved 95 percent. As of March 26, 1984, the program has 20,116 approved job slots with 2,506 veterans actually employed.

I have spoken thus far about basic eligibility criteria and implementation of the program. Now, I would discuss the program's funding as well as our projections regarding program participation. Public Law 98-77 authorized appropriations of $150 million for each of Fiscal Years 1984 and 1985. In addition, it authorized up to $25 million from appropriated funds for payment of benefits under the targeted delimiting date provision of the Act. Actual funding, however, became available in two stages: $75 million from the Further Continuing Appropriations for Fiscal Year 1984 (Public Law 98-151) and another $75 million from the Supplemental Appropriations Act, 1984 (Public Law 98-181). To date, $20 million has been set aside for training under the delimiting date extension. The remaining $130 million is designated for use in reimbursing employers to partially defray the costs of veterans' job training programs.

We projected that 125,000 Certificates of Eligibility and 15,000 renewals would be issued by the end of Fiscal Year 1984. Further, we projected that 14,000 job training programs would be approved, and 20,000 veterans trained. This projected number of trainees was based on an average payment to participating employers of $6,500 per trainee. At such rate, the $130 million allocated to the program would fund 20,000 trainees.

Mr. Chairman, I indicated earlier that it would be premature to make a judgment concerning the program's level of success. I should point out that unemployment among the program's targeted groups, the Korean conflict and Vietnam era veterans, has been declining due to the improving economy, and is expected to continue to do so. We note that in the 35-39 year old category of Vietnam era veterans, unemployment in January of 1983 was 9.0 percent. The unemployment rate for the same age group in January of 1984 was down to 6.2 percent--a drop of 2.8 percent from the prior year. Between January 1983 and January 1984, veteran unemployment for this age group dropped to as low as 5.8 percent--in December of 1983. So, while there still is a need to find jobs for veterans, we are already seeing a lessening of that need because of improved economic conditions. In view of this, we anticipate that the objectives of the Act will be met with the initial funding and that a request for an additional appropriation for Fiscal Year 1985 will not be necessary.

Let me just say, however, that despite this projected improvement in the economy, we intend to be flexible. Later on, I will talk more about the evaluation of the program Congress has directed. It is our position that if the evaluation reports for this year indicate that additional funding will be needed to carry out the program's objectives, we will not hesitate to seek such additional amounts as are deemed necessary.

In the area of outreach and public information, the VA and DOL have been assigned certain responsibilities. Officials from both agencies met as early as August 18, 1983, to discuss objectives and to coordinate strategies in these areas. Generally speaking, the VA agreed to direct its outreach efforts toward veterans, and DOL toward employers. The Department of Labor has already carried out a variety of promotional activities and has plans for more during the remainder of Fiscal Year 1984. I will defer to DOL regarding those efforts.

Our own efforts began with the issuance of a formal outreach directive on October 11, 1983. This directive, later incorporated as Appendix B to our basic Circular, instructed field station heads that "outreach at the local level is critical to the success or failure of this program. The most productive plan must necessarily involve a unified effort on the part of the VA, DOL, and SES (State Employment Service)." A two-sided Fact Sheet was subsequently developed by the VA, jointly with DOL, containing information directed toward veterans on one

side and toward employers on the other. The publication was introduced on November 1, 1983, and 650,000 copies were distributed to all regional offices, Vet Centers, Directors of Veterans Employment and Training, and accredited service organizations.

In addition, our Veterans Services personnel have made extensive use of radio, television, and printed news media to disseminate information about the program. We have made every effort to identify and use existing community resources, local chambers of commerce, and labor organizations to assist in publicizing available opportunities. The VA's system of Career Development Centers has been appropriately incorporated to provide additional services to individual veterans, and cooperation with the readjustment counseling program (Vet Centers) has been fostered.

VA regional offices are also making publicity and media contacts through news releases to local TV and radio stations, and newspapers in their states. Mass mailouts are being made to veterans and employers, along with personal contacts, letters and visits to Private Industry Councils, local chambers of commerce, veterans service organizations and other community groups. These special actions have resulted in TV and radio station interview programs and many articles in local newspapers.

Finally, Mr. Chairman, I would like to advise you of our attempts to evaluate the operation of the Act. Pursuant to a recommendation by the Senate Committee on Appropriations, in Senate Report

No. 98-275, that the VA initiate a contract to evaluate the operation of the Act, an announcement of the proposed study was placed in the Commerce Business Daily on January 24th of this year. It informed interested contractors of the availability of the study protocol and invited proposals. Response to the announcement was excellent. In fact, after 19 proposals were received and evaluated, a contract was ultimately awarded to Centaur Associates, Inc., Washington, D.C., on March 26, 1984, for the sum of $572,980.

The Committee directed the preparation of two interim reports and a final report on the program. The first interim report was due on March 1, 1984, and concerned the initiation of procedures and processing of applications. It was prepared by the Veterans Administration because no contract had been entered into at that time. We provided the Committee on Veterans' Affairs a copy of the report on that date. The second interim report is due on June 1, 1984, and will examine the conduct of training. The final report, due on June 12, 1985, will evaluate the overall operation of the program. We are collecting data for use in evaluating the program and will make it available to the contractor.

Mr. Chairman, that concludes my formal presentation.

Veterans Administration

REF:

FILE NUMBER:
C-

DATE ISSUED:

EXPIRATION DATE:

CERTIFICATE OF ELIGIBILITY

FOR THE

EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

This is to certify that the person identified above has been found eligible to participate in the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77).

Financial assistance may be provided to an employer on behalf of this veteran for:

FUNDS FOR THIS PROGRAM ARE LIMITED. THIS CERTIFICATE IS NOT A GUARANTEE THAT FUNDS WILL BE AVAILABLE FOR THE TRAINING OF THIS VETERAN.

INFORMATION FOR VETERANS

You should take this Certificate to any potential employer. Your State Employment Service (or Job Service) local office may be able to help you to locate an employer, or you may be able to locate an employer on your own.

If you locate an employer who is not yet approved under this program, you should encourage the employer to seek approval. The employer should contact the nearest State Employment Service (or Job Service) local office or the nearest VA regional office for an application and assistance.

If you are hired under this program, you may not receive VA educational benefits at this same time. Any education benefits you are receiving will be stopped effective the date your training program begins.

This Certificate of Eligibility is only valid through the expiration date shown above. To request renewal, you should submit a new application to your nearest VA regional office. You may call the regional office to obtain a new application form. The toll-free phone number of the regional office is in the telephone directory under U.S. Government.

See reverse side for additional information.

VA Form
DEC 1983 **22-8928**

SUPERSEDES VA FORM 22-8928, SEP 1983, WHICH WILL NOT BE USED.

VETERAN'S COPY 1

ATTACHMENT Q

INFORMATION FOR EMPLOYERS

Under this program, the VA can reimburse an employer for half of a trainee's wages during the training period. Reimbursement will be based on the entry wage rate without regard to overtime, premium pay or fringe benefits and is limited to the number of months shown on the front. The maximum reimbursement possible is $10,000.

Payment will not be made to an employer on behalf of any veteran whose program of job training begins after February 28, 1985.

If the VA has already approved your job training program under this law, complete and return the NOTICE OF INTENT TO EMPLOY, VA Form 22-8930, to VA Regional Office (243), P.O. Box 540008, Houston, TX 77254. You received the Notice of Intent form at the time you were advised that your program was approved. If funds are not available, the Houston Regional Office will notify you within fourteen (14) days.

If your program has not yet been approved, contact your nearest State Employment Service (or Job Service) office or VA regional office for an application and assistance. You will find the toll-free telephone number for your nearest VA regional office in the telephone directory. The number for your nearest State Employment Service (or Job Service) office is listed in the telephone directory under the state government section.

BARNEY FRANK
4TH DISTRICT, MASSACHUSETTS

COMMITTEES
GOVERNMENT OPERATIONS
CHAIRMAN,
SUBCOMMITTEE ON
MANPOWER AND HOUSING
BANKING, FINANCE, AND
URBAN AFFAIRS
JUDICIARY
AGING

Congress of the United States
House of Representatives
Washington, D.C.

WASHINGTON OFFICE
1317 LONGWORTH BUILDING
WASHINGTON, D.C. 20515
(202) 225-5931

DISTRICT OFFICES
437 CHERRY STREET
WEST NEWTON, MASSACHUSETTS 02165
(617) 332-3920
(617) 223-1648

10 PURCHASE STREET
FALL RIVER, MASSACHUSETTS 02722
(617) 674-3551

8 NORTH MAIN STREET
ATTLEBORO, MASSACHUSETTS 02703
(617) 226-4723

April 4, 1984

The Honorable Marvin Leath
Chairman
Subcommittee On Education,
Training And Employment
335 Cannon H.O.B.
Washington, DC 20515

Dear Marvin:

We are writing to commend you for holding an oversight hearing on the Emergency Veterans Jobs Training Act. With a year to run in the program, it is critical that we correct any deficiencies and insure that veterans are able to take full advantage of its benefits.

Unfortunately, in discussing the program with veterans in our state of Massachusetts, we have found that many are prevented from using the program by the provision requiring that applicants be unemployed for fifteen of the previous twenty weeks. While it is important to target the benefits of the legislation, we should not target it so narrowly that no one can use it. Massachusetts veterans working to implement the program have encountered difficulties encouraging employers to hire individuals unemployed for fifteen weeks. In addition, veterans with dependents, to whom the program should be targetted, cannot endure 15 weeks unemployment in order to qualify. They take lesser jobs that do not require training and lose the opportunity to truly advance themselves. Thus, those who would most benefit are least able to fulfill the programs requirements.

As you know, the Administration did not include further funding for the program in its fiscal year '85 budget because, they claim, the problem no longer exists. In fact, unemployment among Vietnam veterans continues to be disproportionately higher than among non-veterans. These veterans deserve more. We reject the Administration's abandonment of the program and applaud your efforts to improve it. And we ask that you specifically look at the impact of the fifteen week provision with an eye toward amending it.

Thank you very much for your attention to our concerns.

BARNEY FRANK

BRIAN DONNELLY

36-366 0 - 84 - 6

SF

Department of Veterans Benefits Washington D C 20420

Veterans Administration

APR 3 0 1984

In Reply Refer To:
225A

Honorable Marvin Leath
Chairman, Subcommittee on
Education, Training and Employment
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

This is in reply to the additional questions you had from the April 5, 1984, hearing on the Emergency Veterans' Job Training Act of 1983.

On the enclosed sheets, I have addressed each question, with the exception of question 8. Material for this reply is still being assembled. I will forward you this data as soon as possible.

I appreciate your efforts and those of your Subcommittee in improving programs for our veterans.

Sincerely yours,

Dorothy L. Starbuck

DOROTHY L. STARBUCK
Chief Benefits Director

Enclosures

Q. 1. In your testimony you say that you anticipate the objectives of this program to be met with the initial funding. I am puzzled by that statement when there are well over 200,00 Vietnam veterans who have been unemployed 15 weeks or longer and 97,000 have been approved for participation in this program. How do you define the objectives of this Act?

A. 1. We do anticipate an improvement in the economy. In fact, unemployment among the program's targeted groups, Korean conflict and Vietnam era veterans, has been declining due to the improving economy. My statement that initial funding will meet the objectives of the program should be taken only in the context of an improving economy. Administrator Walters and I have both gone on record that we will request additional funding should such funding become necessary.

Q. 2. On page eight of your statement, you point out the importance of a unified effort on the part of VA, Department of Labor and State Employment Services. A representative of the employer community who testified at the hearing indicated that in many areas there is little cooperation. What can be done to improve this situation?

A. 2. Since the beginning of our implementation of the Emergency Veterans' Job Training Act of 1983, we have emphasized the importance of cooperation between the Veterans Administration and the Department of Labor/State Employment Services. This spirit of cooperation has been realized in the sponsoring of joint regional training sessions, the provision of information on approved employers with State job services and the development of work plans between VA regional offices and their respective job services based upon the principles contained in our national VA-DOL agreement. These initiatives have been supplemented by field station efforts that include VA job service presentations to employers, local training sessions and almost daily contacts between VA approval personnel and job service employees assisting veterans and employers. Currently, we are planning to participate during May in a combined VA-DOL study team which will visit selected field locations to consider improvements in implementation and any other actions that might enhance existing cooperation. We would appreciate knowing of any specific breakdowns in this cooperative effort so that we may attempt to quickly reestablish the climate needed for optimal program results.

Q. 3. The Committee has been told that for a time last month, employer forms were unavailable at Central Office. Is this true? If so, how did this happen?

A. 3. Yes, Mr. Leath, regrettably that is true. When the fact was brought to my attention in a very kind way, I looked into the matter. Supplies of the form were not initially furnished the Veterans Assistance unit in VA Central Office because demand for the form by employers was believed to be extremely low at the unit in VA Central Office. There's no excuse for this and I do offer my apology to the Committee members. Also, I assure you, again, the Central Office has an amply supply of both veteran and employer application forms.

Q. 4. Several thousand employers are already approved for the Chapter 34 on-the-job training program. Have you made any effort to contact these employers regarding Public Law 98-77?

A. 4. For years we have been distributing listings of approved VA OJT and apprenticeship employers to State employment services to facilitate their employer outreach and job development efforts. Specific employer outreach strategies for the Emergency Veterans' Job Training Act of 1983, (EVJTA) are left to individual field stations so that they may complement local programs and initiatives already in place. Our EVJTA outreach and public information directive, DVB Circular 20-83-25 Appendix B, does anticipate the utilization of these approval lists in promoting this program and local mailings have been accomplished.

Q. 5. Please describe the employer approval process. What has been the average length of time for employer approvals?

A. 5. When completed applications from employers are received within the regional office, the education liaison representative reviews the application to determine if approval may be granted. If the proposed employer program meets all the requirements of the law and approval is in order, the education liaison representative will immediately notify the employer and will notify the State Employment Service so they may refer veterans for employment.

Since enactment of the Emergency Veterans' Job Training Act of 1983, we have been gathering information on program involvement and VARO processing. Most of our information is obtained during station visits. We have only visited a handful of stations since the program became operational, so our information is still sketchy. However, we can offer the following information on employer approvals for the new jobs program:

--- Of 182 regional office employer approvals, the average processing time was 7 days. The trend from November 1983 to March 1984 has been an improvement in overall timeliness each month.

--- Present timeliness runs from 3 to 8 days.

--- This information has been obtained informally from VA Regional Offices, not as part of a systematic statistical review.

Multi-state Emergency Job Training Employer approvals have averaged 11 workdays processing time to date.

Q. 6. As I'm sure you know, the Small Business Administration has been holding a series of seminars for veterans around the country. We have been told that the VA and the Department of Labor have been routinely invited to attend these meetings to spread the word regarding PL 98-77. Is it true that the VA and the Department of Labor have chosen not to attend some of these seminars? Wouldn't this type of event be an ideal opportunity to inform both veterans and employers of this training program?

A. 6. We have advised our regional office personnel to contact any interested organization or association to present this program and solicit support in recruiting employer participation. We view seminars conducted by the Small Business Administration as excellent opportunities to publicize the Emergency Veterans' Job Training Act. There has been no policy decision to avoid these seminars. On the contrary VA participation would be encouraged whenever possible.

Q. 7. We have received reports that some educational institutions were not notified about the changes made in the targeted delimiting date extension program until mid to late January, after registration for the spring semester. Why was this notification so late? How many veterans have taken advantage of the expansion of this program?

A. 7. Instructions on the expansion of the delimiting date extension program to include associate degree training which is predominantly vocational in content were mailed to regional offices on November 23, 1983. The instructions request that each VA regional office notify the educational institutions within its jurisdiction of the delimiting date extension program. Regional offices were given ample time to notify all educational institutions which had terms beginning in January 1984 of the expansion of the program to include associate degree training which is predominantly vocational in content.

As of March 25, 1984, 819 veterans had received or were scheduled to receive education benefits for associate degree during a delimiting date extension.

Q. 8. To your knowledge, are any employers participating in the program provided under Public Law 98-77 utilizing their payments to make structural modifications in the workplace to accommodate disabled veterans?

A. 8. The information requested is not available. In most cases veterans who are training under the jobs bill are not disabled. Knowledge of the provision of structural modifications in the work place would be available to VR&C only in the exceptional cases of special placements of severely disabled veterans, and there is no established reporting mechanism set up for those exceptional situations. Previous experience indicates that in most cases rearrangement of work spaces rather than structural modifications provides reasonable accommodation to the needs of disabled veterans.

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NINETY-EIGHTH CONGRESS

G. V. (SONNY) MONTGOMERY
CHAIRMAN

U.S. House of Representatives

COMMITTEE ON VETERANS' AFFAIRS

335 CANNON HOUSE OFFICE BUILDING

Washington, D.C. 20515

April 9, 1984

Mr. Herbert Roach
Chairman
Employer National Job Service Committee
Route No. 143
Highland, Illinois 62249

Dear Mr. Roach:

I regret that time did not permit asking you all of the questions that the Members of the Subcommittee had planned to submit to you at the hearing on April 5, 1984, on the Emergency Veterans' Job Training Act of 1983.

It will be appreciated if you will answer these questions as expeditiously as possible. The questions and answers will be made a part of the hearing record.

1) You point out that many employers throughout the country are totally unaware of this program. What steps would you suggest that the Department of Labor and the Veterans Administration take to more effectively publicize this program?

2) You indicate in your testimony that this program is viewed by employers as too complex. In your view, what can be done to streamline the program to make it more attractive?

3) You also mention that people in the field who are implementing this program are not well-trained. Would you expand on this statement and be a little more specific?

4) I am particularly concerned by your statement that many employers believe that it is too late for them to participate in this program because funds are already allocated. Only $13 million of the $150 million available has been committed. How can we let the employer community know that funding is definitely still available?

Sincerely,

Marvin Leath

MARVIN LEATH
Chairman
Subcommittee on Education,
Training and Employment

EMPLOYERS' NATIONAL JOB SERVICE COMMITTEE

May 16, 1984

Honorable Marvin Leath
U. S. House of Representatives
Committee on Veterans' Affairs
335 Cannon House Building
Washington, D.C. 20515

Dear Representative Leath:

Please find enclosed the response to your letter of April 9. Please accept my apologies for not getting this to you sooner, but I did want to get the input from our National Steering Committee, which is made up of employers from across the country, so that the responses that I am giving you are reflecting a national view.

1. The following are suggestions on how the Department of Labor and Veterans Administration could more effectively publicize this program.
   a. Use of prime time TV and radio spots. Many of the spots now being used are not being done at a time that attracts the clients that need to be reached.
   b. Further contact with our Veterans and employers organizations.
   c. The possible use of a toll free 800 line that could be used by Veterans and employers alike.
   d. Employers seminars.
   e. In new broadcast or commercials, the further emphases on successes that have already occurred.
   f. Many of the ads now being used seem to be aimed at high-tech and large business. This type of ad can have a negative effect on small employers and employers not in the high-tech fields, because they may be getting the feeling that the program is not aimed at them. It should also be mentioned that many of the large businesses still have people layed off, and are unable to use this type of program until layed off personnel return to work. I would recommend that future ads be aimed more at a general type of business operation for large, medium, and small businesses alike.

2. It is our view that one of the major things that can be done to streamline the program and make it more acceptable to the employer community would be;
   a. To have local level approval.
   b. Extend the eligibility requirement for Veterans applications beyond the current 60 day limit, and allow any further extensions to be granted at local levels.
   c. Eliminate or loosen the current restriction that requires a Veteran to be unemployed for 15 of the last 20 weeks under the current program. Such new language should take into consideration temporary employment that some Veterans have taken, and consideration should be given to covering Veterans who are upgrading themselves from a minimum paying,

HERBERT ROACH, Chairperson — ROBERT E. GOULDER, Vice Chairperson (Labor) — [illegible] Vice Chairperson (Management)
Vice President — Manager, Personnel Planning — [illegible]
Industrial Relations — Great Lakes Steel Division — [illegible]
Basler Electric Company — National Steel Corporation — [illegible]
Route #143 — [illegible] Road — [illegible]
Highland, Illinois 62249 — [illegible] Michigan 48229 — [illegible]

or low level job, to a skilled position, by use of this training program.

3. In reviewing this, we are finding now that training is taking place, and some of the more advanced areas are considering a retraining to make sure that their people are prepared. This seems to have improved immensely.

4. In response to how we could let the employer community know that funding is still available, I would suggest the following means:

   a. Make sure all VA and employment service agencies are kept abreast of the funds available, and that this is communicated to the local level.
   b. Have this information emphasized to employers through local contacts, business organizations, personnel administration organizations, accounting organizations, plus additional media advertisement.

I would hope the above information will be of help to you. If you would need any further clarification or additional information, please feel free to contact me at your convenience. I again thank you on behalf of the Employers' National Job Service Committee for giving me the opportunity to voice the employers view, and if at any time we can help you with this, or any other program, feel free to contact me at any time.

Sincerely,

Herb Roach

HR/rs

cc: Mr. William Plowden, Assistant Secretary of Labor
Mr. Harry Walter, Administrator of Veterans Administration
Mr. Joseph Jaurez, Director of Department of Labor

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment and Training
Washington, D.C. 20210

MAY 16 1984

Honorable Marvin Leath
Chairman, Subcommittee on Education,
Training and Employment
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

This is in response to your letter of April 9, 1984, requesting my response to additional questions from the members of the Subcommittee as follows:

1. QUESTION: Section 2012 of Title 38 requires Federal contractors to take affirmative action to employ and advance in employment disabled veterans and veterans of the Vietnam Era. Have you made any efforts either nationally or locally to remind these contractors of their obligations under the law and opportunities available to them under Public Law 98-77?

RESPONSE: Federal contractors are made aware of their obligations under 38 U.S.C. 2012, initially in preparation of the contract documents. The affirmative action clause at 41 CFR 60-250.4 is required to be in each contract and subcontract and spells out their obligations (see copy enclosed). In addition, during contacts made by Job Service staff, Federal contractors are informed of their obligations and offered technical assistance in meeting those obligations.

In regard to informing Federal contractors of the opportunities available to them under Public Law 98-77, our State Directors, in cooperation with the Job Service, have conducted extensive employer outreach. These efforts have included mailing information to employers, including Federal contractors, as well as holding employer seminars and advertising through print, radio and television.

2. QUESTION: How many jobs have been processed? Have they resulted from cold canvassing, employers already registered with the Job Service, or have employers initiated contact?

RESPONSE: As of May 1, 1984, 13,580 employer applications have been processed and approved by the Veterans Administration creating 30,077 job training positions throughout the nation. These job training positions have resulted from several preplanned approaches in our outreach efforts to the employer and business community. Through the Veterans' Employment and Training Service field staff, State Job

Service staff, and certain community-based organizations, employers are selected and targeted for orientation, briefing and solicited to participate in the Emergency Veterans' Job Taining Program (EVJTP). Employers are assisted by Job Service staff in the application process and and the individual training program outline for specific training positions. Usually DVOP, LVER, or other Job Service employer relations staff are the key persons involved at the local level.

In addition to this hands-on approach, a national, State and local media outreach effort has taken place and is continuing to inform employers of the EVJTP. This effort advises employers that local Job Service and Veterans Administration staff should be contacted for details.

Some employers participating in the program are very familiar with the services provided by the Job Service; other employers are using the expertise of the Job Service for the first time and are experiencing good results.

3. QUESTION: What steps are being taken to improve the job matching situation?

RESPONSE: Two subjects have been funded to explore an improved method of matching veterans to potential jobs. Our efforts are concentrated in pockets and arrived at placing veterans where employment opportunities are more rapidly becoming available.

Part of this project is to review some existing Job Service systems, identify shortcomings where they may exist, and recommend improvements.

In addition, we are currently participating with the Veterans Administration in a review of four sites to study implementation of the Emergency Veterans' Job Training Program. This will further assist us in determining how to improve job matching.

4. QUESTION: Is there any centralization of the job order system or contact between Job Service offices regarding available jobs.

RESPONSE: Most States operate Statewide automated job matching systems. In addition, the Employment and Training Administration funds an interstate job order system through the New York Employment Service.

Depending on the number of job openings within a job order, eligible applicants are screened and referred at the local level. If no (or few) hires are made, then the job order is placed Statewide. If there is still a placement problem, then the job order is provided by the State to the interstate system. The timing of these steps is at the discretion of the State Employment Service.

5. QUESTION: Is an effort being made to develop jobs that meet the needs and qualifications of the eligible veterans in the local areas?

RESPONSE: Absolutely. Job development is an ongoing effort of Disabled Veterans Outreach Program staff and Local Veterans Employment Representatives. We have stressed this activity as a key to the success of this program.

Additionally, the regulations governing the application for grants, under Part IV-C of the Job Training Partnership Act (JTPA), require that a comprehensive needs assessment be undertaken by the prospective grantee to determine the employment and training needs of the eligible veterans in the State or Service Delivery Area to be served.

Grants are awarded in great measure based on how well the project proposes to meet those needs. The JTPA mandates that all such veterans' programs be designed to meet the employment and training needs of service-connected disabled veterans, veterans of the Vietnam Era, and veterans who are recently separated from military service.

Sincerely,

WILLIAM C. PLOWDEN, JR.
Assistant Secretary for
Veterans' Employment and Training

Enclosures

action clause shall be applied to such contract whenever the amount of a single order is $10,000 or more. Once the affirmative action clause is determined to be applicable, the contract shall continue to be subject to such clause for its duration, regardless of the amounts ordered, or reasonably expected to be ordered in any year.

(3) Work outside the United States. The requirements of the affirmative action clause are waived with respect to contracts and subcontracts with regard to work performed outside the United States by employees who were not recruited within the United States.

(4) Contracts with State or local governments. The requirements of the affirmative action clause in any contract or subcontract with a State or local government (or any agency, instrumentality or subdivision thereof) shall not be applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract or subcontract.

(5) Facilities not connected with contracts. The Director may waive the requirements of the affirmative action clause with respect to any of a prime contractor's or subcontractor's facilities which he or she finds to be in all respects separate and distinct from activities of the prime contractor or subcontractor related to the performance of the contract or subcontract, provided that he or she also finds that such a waiver will not interfere with or impede the effectuation of the Act. Such waivers shall be considered only upon the request of the contractor or subcontractor.

(b) *Waivers.* (1) *Specific contracts and classes of contracts.* The head of an agency, with the concurrence of the Director, may waive the application to any contract or subcontract of any part of or all the affirmative action clause when he or she deems that special circumstances in the national interest so require. The agency head, with the concurrence of the Director, may also grant such waivers to groups or categories of contracts or subcontracts of the same type where it is (i) in the national interest, (ii) found impracticable to act upon each request individually, and (iii) where such waiver will substantially contribute to convenience in administration of the Act.

(2) *National security.* Any requirement set forth in the regulations in this Part shall not apply to any contract or subcontract whenever the head of the contracting agency determines that such contract or subcontract is essential to the national security and that its award without complying with such requirements is necessary to the national security. Upon making such a determination, the head of the agency will notify the Director in writing within 30 days.

(c) *Withdrawal of waiver.* When a waiver has been granted for any class of contracts or subcontracts under this section other than contracts granted waivers under paragraph (b)(2) of this section, the Director may withdraw the waiver for a specific contract or subcontract or group of contracts or subcontracts to be awarded, when in his or her judgment such action is necessary or appropriate to achieve the purposes of the Act. The withdrawal shall not apply to contracts or subcontracts awarded prior to the withdrawal, except that in procurements entered into by formal advertising, or the various forms of restricted formal advertising, such withdrawal shall not apply unless the withdrawal is made more than 10 calendar days before the date set for the opening of the bids.

§ 60-250.4 Affirmative action clause.

Each agency and each contractor and subcontractor shall include the following affirmative action clause in each of its covered government contracts or subcontracts (and modifications, renewals, or extensions thereof if not included in the original contract):

AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

(a) The contractor will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based upon their disability or veterans status in all employment practices such as the following: Employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

(b) The contractor agrees that all suitable employment openings of the contractor which exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract and including those occurring at an establishment of the contractor other than the one wherein the contract is being performed but excluding those of independently operated corporate affiliates, shall be listed at an appropriate local office of the State employment service system wherein the opening occurs. The contractor further agrees to provide such reports to such local office regarding employment openings and hires as may be required.

State and local government agencies holding Federal contracts of $10,000 or more shall also list all their suitable openings with the appropriate office of the State employment service, but are not required to provide those reports set forth in paragraphs (d) and (e).

(c) Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment source or effort and shall involve the normal obligations which attach to the placing of a bona fide job order, including the acceptance of referrals of veterans and nonveterans. The listing of employment openings does not require the hiring of any particular job applicant or from any particular group of job applicants, and nothing herein is intended to relieve the contractor from any requirements in Executive Orders or regulations regarding nondiscrimination in employment.

(d) The reports required by paragraph (b) of this clause shall include, but not be limited to, periodic reports which shall be filed at least quarterly with the appropriate local office or, where the contractor has more than one hiring location in a State, with the central office of that State employment service. Such reports shall indicate for each hiring location (1) the number of individuals hired during the reporting period, (2) the number of nondisabled veterans of the Vietnam era hired, (3) the number of disabled veterans of the Vietnam era hired, and (4) the total number of disabled veterans hired. The reports should include covered veterans hired for on-the-job training under 38 U.S.C. 1787. The contractor shall submit a report within 30 days after the end of each reporting period wherein any performance is made on this contract identifying data for each hiring location. The contractor shall maintain at each hiring location copies of the reports submitted until the expiration of one year after final payment under the contract, during which time these reports and related documentation shall be made available, upon request, for examination by any authorized representatives of the contracting officer or of the Secretary of Labor. Documentation would include personnel records respecting job openings, recruitment and placement.

(e) Whenever the contractor becomes contractually bound to the listing provisions of this clause, it shall advise the employment service system in each State where it has establishments of the name and location of each hiring location in the State. As long as the contractor is contractually bound to these provisions and has so advised the State system, there is no need to advise the State system of subsequent contracts. The contractor may advise the State system when it is no longer bound by this contract clause.

(f) This clause does not apply to the listing of employment openings which occur and are filled outside of the 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

(g) The provisions of paragraphs (b), (c), (d), and (e) of this clause do not apply to openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of his own organization or employer-union arrangement for that opening.

(h) As used in this clause: (1) "All suitable employment openings" includes, but is not limited to, openings which occur in the following job categories: Production and nonproduction; plant and office; laborers and

mechanics, supervisory and nonsupervisory; technical; and executive, administrative, and professional openings as are compensated on a salary basis of less than $25,000 per year. This term includes full-time employment, temporary employment of more than 3 days' duration, and part-time employment. It does not include openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement nor openings in an educational institution which are restricted to students of that institution. Under the most compelling circumstances an employment opening may not be suitable for listing, including such situations where the needs of the Government cannot reasonably be otherwise supplied, where listing would be contrary to national security, or where the requirement of listing would otherwise not be for the best interest of the Government.

(2) "Appropriate office of the State employment service system" means the local office of the Federal-State national system of public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

(3) "Openings which the contractor proposes to fill from within his own organization" means employment openings for which no consideration will be given to persons outside the contractor's organization (including any affiliates, subsidiaries, and the parent companies) and includes any openings which the contractor proposes to fill from regularly established "recall" lists.

(4) "Openings which the contractor proposes to fill pursuant to a customary and traditional employer-union hiring arrangement" means employment openings which the contractor proposes to fill from union halls, which is part of the customary and traditional hiring relationship which exists between the contractor and representatives of his employees.

(f) The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(g) In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(h) The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, provided by or through the contracting officer. Such notice shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era for employment, and the rights of applicants and employees.

(i) The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of the Vietnam Era Veterans Readjustment Assistance Act, and is committed to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era.

(j) The contractor will include the provisions of this clause in every subcontract or purchase order of $10,000 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to the Act, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

§ 60-250.5 Applicability of the affirmative action program requirement.

(a) Within 120 days of the commencement of a contract every Government contractor or subcontractor holding a contract of $50,000 or more and having 50 or more employees shall prepare and maintain an affirmative action program at each establishment which shall set forth the contractor's policies, practices and procedures in accordance with § 60-250.6 of this part. This program may be integrated into or kept separate from other affirmative action programs of the contractor. Contractors presently holding Government contracts shall update their affirmative action programs within 120 days of the effective date of this part.

(b) The affirmative action program shall be reviewed and updated annually. If there are any significant changes in procedures, rights or benefits as a result of the annual updating, those changes shall be communicated to employees and applicants for employment.

(c) The full affirmative action program shall be available for inspection to any employee or applicant for employment upon request. The location and hours during which the program may be obtained shall be posted at each facility.

(d) The contractor shall invite all disabled veterans and veterans of the Vietnam era who wish to benefit under the affirmative action program to identify themselves to the contractor. The invitation shall state that the information is voluntarily provided, that it will be kept confidential, that refusal to provide it will not subject the applicant or employee to any adverse treatment, and that it will be used only in accordance with the Act and regulations in this part. If an applicant or employee so identifies himself or herself, the contractor should also seek the advice of the applicant or employee regarding proper placement and appropriate accommodation (an acceptable form for such an invitation is set forth in appendix A attached). Nothing in this section shall preclude an employee from informing a contractor at a future time of his or her desire to benefit from this program. Nothing in this section shall relieve a contractor from liability for discrimination under the Act.

§ 60-250.6 Affirmative action policy practices and procedures.

(a) *General requirements.* Under the affirmative action obligation imposed by the Vietnam Era Veterans Readjustment Assistance Act of 1974, contractors are required to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era at all levels of employment, including the executive level. Such action shall apply to all employment practices, including, but not limited to, the following: hiring, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship and on-the-job training programs under 38 U.S.C. 1787.

(b) *Proper consideration of qualifications.* Contractors shall review their personnel processes to determine whether their present procedures assure careful, thorough and systematic consideration of the job qualifications of known disabled veteran applicants and Vietnam era veteran applicants for job vacancies filled either by hiring or promotion, and for all training opportunities offered or available. In determining the qualifications of a covered veteran, the contractor shall consider only that portion of the military record, including discharge papers, relevant to the specific job qualifications for which the veteran is being considered. To the extent that it is necessary to modify their personnel procedures, contractors shall include the development of new procedures for this purpose in their affirmative action program required under this part. These procedures must be designed so as to facilitate a review of the implementation of this requirement by the contractor or the Government. (The appendix attached is an example of an appropriate set of procedures. The procedures in appendix B are not required and contractors may develop other procedures which are appropriate to their circumstances.)

(c) *Physical and mental qualifications.* (1) The contractor shall provide in its affirmative action program, and shall adhere to, a schedule for the review of all physical or mental job qualification requirements to insure that, to the extent qualification requirements tend to screen out qualified disabled veterans, they are job related and are consistent with business necessity and the safe performance of the job.

(2) Whenever a contractor applies physical or mental job qualification requirements in the selection of applicants or employees for employment or other change in employment status such as promotion, demotion, or train-

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment
Washington, D.C. 20210

October 31, 1983

DIRECTIVE: VETERANS' PROGRAM LETTER NO. 1-84

TO: ALL STATE EMPLOYMENT SECURITY AGENCIES
ALL REGIONAL ADMINISTRATORS, ETA
ALL REGIONAL, STATE AND ASSISTANT STATE DIRECTORS,
FOR VETERANS' EMPLOYMENT AND TRAINING SERVICE

FROM: WILLIAM C. PLOWDEN, JR.
Assistant Secretary for
Veterans' Employment and Training

SUBJECT: Implementation of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77)

I. Purpose: To provide instructions for the timely implementation of the Emergency Veterans' Job Training Act of 1983 (PL 98-77), and to encourage full cooperation between staff of the Department of Labor (DOL), Veterans Administration (VA), and State Employment Security Agencies (SESAs).

II. Background: The Emergency Veterans' Job Training Act of 1983 (Public Law 98-77) was enacted August 15, 1983, effective October 1, 1983. The stated purpose of the Act is to address the problem of severe and continuing unemployment among Korean and Vietnam-era veterans by providing, in the form of payments to defray the costs of training, incentives to employers to hire and train eligible veterans who have been unemployed for long periods of time for stable and permanent positions that involve significant training (Sec. 2, PL 98-77).

The Secretary, in consultation with the VA Administrator, is required to promote the development of employment and job training opportunities for veterans by encouraging potential employers to make programs of job training under the Act available for eligible veterans, by advising other appropriate Federal departments and agencies of the program established by the Act, and by advising employers of applicable responsibilities under Chapters 41 and 42, Title 38, US Code, with respect to veterans.

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Section 15 (c)(2) of the Act requires the Secretary of Labor, through the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET) to make maximum use of the services of State and Assistant State Directors for Veterans' Employment and Training Service, Disabled Veterans Outreach Program (DVOP) specialists, and Local Veterans Employment Representatives (LVER).

There is authorized to be appropriated to the Veterans Administration $150,000,000 for each of fiscal years 1984 and 1985 for the purpose of making payments to employers under the Act and for the purpose of Section 18 of the Act. Amounts appropriated shall remain available until September 30, 1986.

Not more than $25,000,000 of amounts appropriated in total for fiscal years 1984 and 1985 shall be available for an associate degree program which is predominately vocational in content which the VA Administrator may consider for the purpose of Section 1662(a)(3), Title 38, USC, to be a course with an approved vocational objective if such degree program meets the requirements established in such title for approval of such program.

If funds are not both appropriated and made available by the Director of Office of Management and Budget on or before October 1, 1983, assistance may be paid to an employer under the Act on behalf of a veteran if the veteran -

(1) applies for a program of job training under this Act within one year after the date on which funds so appropriated are made available to the Veterans' Administration by the Director; and

(2) begins participation in such program within fifteen months after such date.

III. Planning and Coordination. In coordinating and planning program activities under this Act, utilizing DVOP/LVER and other staff as appropriate, State Employment Security Agency Administrators are requested to insure that the Job Service (JS) will:

A. Provide intensive outreach and information to veterans about the employment and training opportunities available under this Act.

B. Conduct job development and provide information to private industry, public agencies and organizations, and labor unions about the job counseling, placement, job training opportunities available under, and the advantages of participating in the Emergency Veterans' Job Training Programs.

C. Coordinate the activities of outreach to veterans and employers with SESA job counseling, placement, job development and other services to veterans under Chapters 41 and 42, Title 38, United States Code, and the Wagner-Peyser Act.

SESAs have the flexibility to integrate the activities of the Emergency Veterans' Job Training Program with those of the local office. The local office must function in a manner to ensure that veterans registering with the Job Service for participation in the program are provided priority services, preferential treatment, and are exposed to the widest possible range of jobs and job training opportunities. The governing principle is that the local office manager is responsible for the total effectiveness of services to employers and applicants, including eligible veterans under the program and is therefore responsible for coordinating all activities to achieve that objective.

IV. Identifying Who Gets Service. Certain veterans have been identified as being most in need of employment assistance and are to be provided the full range of employment service to which they are entitled and eligible. Therefore, emphasis must be placed on identification by local office staff of these veterans:

A. To be eligible for participation in a job training program under this Act, a veteran must be a Korean conflict or Vietnam-era veteran who--

(1) Is unemployed at the time of applying for participation in a program under this Act; and

(2) Has been unemployed for at least fifteen of the twenty weeks immediately preceding the date of such veteran's application for participation in a program under this Act.

B. For purposes of paragraph IV. A, the term "Korean conflict or Vietnam-era veteran" means a veteran--

(1) Who served in the active military, naval, or air service for a period of more than one hundred and eighty days, any part of which was during the Korean conflict or the Vietnam-era; or

(2) Who served in the active military, naval, or air service during the Korean conflict or the Vietnam-era and--

(a) was discharged or released therefrom for a service-connected disability; or

(b) is entitled to compensation (or but for the receipt of retirement pay would be entitled to compensation).

C. For purposes of paragraph A, a veteran shall be considered to be unemployed during any period the veteran is without a job, and wants, and is available for work (see Technical Assistance Guide (TAG) for examples of determining eligibility).

V. Training. The National Office has developed a Technical Assistance Guide (TAG) to be used as a training package to assist in implementing this program. Train-the-trainer sessions using the TAG, were held for Regional and State VETS staff, SESA staff, and Veterans Administration staff. SDVETS will distribute TAGS according to arrangements with SESA's and VA offices. SDVETS have the lead for coordinating training at the State level with the VA and SESAs. How, when, and who is to be trained should be decided jointly by the SDVETS, SESAs, and VA. It is critical that this program be carefully coordinated and implemented in a manner which is the most effective for each State.

VI. Outreach and Public Information Program. In cooperation with the Veterans Administration, the OASVET is developing a flexible public information program. The program will promote the participation of eligible veteans and employers. A separate issuance on the Public Information Program will be forthcoming.

VII. Action Required. If not already accomplished, SDVETS should immediately arrange a meeting between VA Regional Office(s), SESAs, and other appropriate participants to develop a plan of action to solidify the efforts of and set priorities and responsibilities of each organization; training and procedures are key elements.

Of immediate importance are:

A. Providing sufficient information to JS staff to permit them to respond to questions about the program,

B. Offering immediate assistance to veterans who may contact the local office as a result of the announcement of this program. In addition to registration, a means of follow-up should be established. Also, JS should develop a speedy system of accepting applications and getting them to the appropriate Veterans Administration Regional Office (VARO).

C. Reviewing and updating files to facilitate identification of potential veteran and employer participants.

Your cooperation and assistance is critical and most appreciated. With your help we look forward to a sucessful program.

Attachment:
Public Law 98-77

Public Law 98-77
98th Congress

An Act

To establish an emergency program of job training assistance for unemployed Korean conflict and Vietnam-era veterans, and for other purposes.

Aug. 15, 1983
[H.R. 2355]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Emergency, Veterans' Job Training Act of 1983.

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Emergency Veterans' Job Training Act of 1983". 29 USC 1721 note.

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Sec. 18. Expansion of targeted delimiting date extension.
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PURPOSE

SEC. 2. The purpose of this Act is to address the problem of severe and continuing unemployment among veterans by providing, in the form of payments to defray the costs of training, incentives to employers to hire and train certain wartime veterans who have been unemployed for long periods of time for stable and permanent positions that involve significant training. 29 USC 1721 note.

DEFINITIONS

SEC. 3. For the purposes of this Act: 29 USC 1721 note.

(1) The term "Administrator" means the Administrator of Veterans' Affairs.

(2) The term "Secretary" means the Secretary of Labor.

(3) The terms "veteran", "Korean conflict", "compensation", "service-connected", "active military, naval, or air service", "State", and "Vietnam era", have the meanings given such terms in paragraphs (2), (9), (13), (16), (20), (24), and (29), respectively, of section 101 of title 38, United States Code.

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ESTABLISHMENT OF PROGRAM

29 USC 1721 note.

SEC. 4. (a) The Administrator and, to the extent specifically provided by this Act, the Secretary shall carry out a program in accordance with this Act to assist eligible veterans in obtaining employment through training for employment in stable and permanent positions that involve significant training. The program shall be carried out through payments to employers who employ and train eligible veterans in such jobs in order to assist such employers in defraying the costs of necessary training.

(b) The Secretary shall carry out the Secretary's responsibilities under this Act through the Assistant Secretary of Labor for Veterans' Employment established under section 2002A of title 38, United States Code.

ELIGIBILITY FOR PROGRAM; DURATION OF ASSISTANCE

29 USC 1721 note.

SEC. 5. (a)(1) To be eligible for participation in a job training program under this Act, a veteran must be a Korean conflict or Vietnam-era veteran who—

(A) is unemployed at the time of applying for participation in a program under this Act; and

(B) has been unemployed for at least fifteen of the twenty weeks immediately preceding the date of such veteran's application for participation in a program under this Act.

"Korean conflict or Vietnam-era veteran."

(2) For purposes of paragraph (1), the term "Korean conflict or Vietnam-era veteran" means a veteran—

(A) who served in the active military, naval, or air service for a period of more than one hundred and eighty days, any part of which was during the Korean conflict or the Vietnam era; or

(B) who served in the active military, naval, or air service during the Korean conflict or the Vietnam era and—

(i) was discharged or released therefrom for a service-connected disability; or

(ii) is entitled to compensation (or but for the receipt of retirement pay would be entitled to compensation).

(3) For purposes of paragraph (1), a veteran shall be considered to be unemployed during any period the veteran is without a job and wants and is available for work.

Application for participation.

(b)(1) A veteran who desires to participate in a program of job training under this Act shall submit to the Administrator an application for participation in such a program. Such an application—

(A) shall include a certification by the veteran that the veteran is unemployed and meets the other criteria for eligibility prescribed by subsection (a); and

(B) shall be in such form and contain such additional information as the Administrator may prescribe.

(2)(A) Subject to subparagraph (B), the Administrator shall approve an application by a veteran for participation in a program of job training under this Act unless the Administrator finds that the veteran is not eligible to participate in a program of job training under this Act.

Limitation of participants.

(B) The Administrator may withhold approval of an application of a veteran under this Act if the Administrator determines that, because of limited funds available for the purpose of making payments to employers under this Act, it is necessary to limit the number of participants in programs under this Act.

(3)(A) The Administrator shall certify as eligible for participation under this Act a veteran whose application is approved under this subsection and shall furnish the veteran with a certificate of that veteran's eligibility for presentation to an employer offering a program of job training under this Act. Any such certificate shall expire 60 days after it is furnished to the veteran. The date on which a certificate is furnished to a veteran under this paragraph shall be stated on the certificate. Certification of eligibility.

(B) A certificate furnished under this paragraph may, upon the veteran's application, be renewed in accordance with the terms and conditions of subparagraph (A).

(c) The maximum period of training for which assistance may be provided on behalf of a veteran under this Act is— Maximum training period.

(1) fifteen months in the case of—

(A) a veteran with a service-connected disability rated at 30 percent or more; or

(B) a veteran with a service-connected disability rated at 10 percent or 20 percent who has been determined under section 1506 of title 38, United States Code, to have a serious employment handicap; and

(2) nine months in the case of any other veteran.

EMPLOYER JOB TRAINING PROGRAMS

SEC. 6. (a)(1) Except as provided in paragraph (2), in order to be approved as a program of job training under this Act, a program of job training of an employer approved under section 7 must provide training for a period of not less than six months in an occupation in a growth industry, in an occupation requiring the use of new technological skills, or in an occupation for which demand for labor exceeds supply. Occupational criteria. 29 USC 1721 note.

(2) A program of job training providing training for a period of at least three but less than six months may be approved if the Administrator determines (in accordance with standards which the Administrator shall prescribe) that the purpose of this Act would be met through that program.

(b) Subject to section 10 and the other provisions of this Act, a veteran who has been approved for participation in a program of job training under this Act and has a current certificate of eligibility for such participation may enter a program of job training that has been approved under section 7 and that is offered to the veteran by the employer.

APPROVAL OF EMPLOYER PROGRAMS

SEC. 7. (a)(1) An employer may be paid assistance under section 8(a) on behalf of an eligible veteran employed by such employer and participating in a program of job training offered by that employer only if the program is approved under this section and in accordance with such procedures as the Administrator may by regulation prescribe. 29 USC 1721 note.

(2) Except as provided in subsection (b), the Administrator shall approve a proposed program of job training of an employer unless the Administrator determines that the application does not contain a certification and other information meeting the requirements established under this section or that withholding of approval is warranted under subsection (g).

Employment restrictions.

(b) The Administrator may not approve a program of job training—

(1) for employment which consists of seasonal, intermittent, or temporary jobs;

(2) for employment under which commissions are the primary source of income;

(3) for employment which involves political or religious activities;

(4) for employment with any department, agency, instrumentality, or branch of the Federal Government (including the United States Postal Service and the Postal Rate Commission); or

(5) if the training will not be carried out in a State.

Application by employer.

(c) An employer offering a program of job training that the employer desires to have approved for the purposes of this Act shall submit to the Administrator a written application for such approval. Such application shall be in such form as the Administrator shall prescribe.

Required certification by employer.

(d) An application under subsection (c) shall include a certification by the employer of the following:

(1) That the employer is planning that, upon a veteran's completion of the program of job training, the employer will employ the veteran in a position for which the veteran has been trained and that the employer expects that such a position will be available on a stable and permanent basis to the veteran at the end of the training period.

(2) That the wages and benefits to be paid to a veteran participating in the employer's program of job training will be not less than the wages and benefits normally paid to other employees participating in a comparable program of job training.

(3) That the employment of a veteran under the program—

(A) will not result in the displacement of currently employed workers (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits); and

(B) will not be in a job (i) while any other individual is on layoff from the same or any substantially equivalent job, or (ii) the opening for which was created as a result of the employer having terminated the employment of any regular employee or otherwise having reduced its work force with the intention of hiring a veteran in such job under this Act.

(4) That the employer will not employ in the program of job training a veteran who is already qualified by training and experience for the job for which training is to be provided.

(5) That the job which is the objective of the training program is one that involves significant training.

(6) That the training content of the program is adequate, in light of the nature of the occupation for which training is to be provided and of comparable training opportunities in such occupation, to accomplish the training objective certified under clause (2) of subsection (e).

(7) That each participating veteran will be employed full time in the program of job training.

(8) That the training period under the proposed program is not longer than the training periods that employers in the

community customarily require new employees to complete in order to become competent in the occupation or job for which training is to be provided.

(9) That there are in the training establishment or place of employment such space, equipment, instructional material, and instructor personnel as needed to accomplish the training objective certified under clause (2) of subsection (e).

(10) That the employer will keep records adequate to show the progress made by each veteran participating in the program and otherwise to demonstrate compliance with the requirements established under this Act.

(11) That the employer will furnish each participating veteran, before the veteran's entry into training, with a copy of the employer's certification under this subsection and will obtain and retain the veteran's signed acknowledgment of having received such certification.

(12) That the program meets such other criteria as the Administrator may determine are essential for the effective implementation of the program established by this Act.

(e) A certification under subsection (d) shall include—

(1) a statement indicating (A) the total number of hours of participation in the program of job training to be offered a veteran, (B) the length of the program of job training, and (C) the starting rate of wages to be paid to a participant in the program; and

(2) a description of the training content of the program (including any agreement the employer has entered into with an educational institution under section 8) and of the objective of the training.

(f)(1) Except as specified in paragraph (2), each matter required to be certified to in paragraphs (1) through (11) of subsection (d) shall be considered to be a requirement established under this Act.

(2)(A) For the purposes of section 8(c), only matters required to be certified in paragraphs (1) through (10) of subsection (d) shall be so considered.

(B) For the purposes of section 11, a matter required to be certified under paragraph (12) of subsection (d) shall also be so considered.

(g) In accordance with regulations which the Administrator shall prescribe, the Administrator may withhold approval of an employer's proposed program of job training pending the outcome of an investigation under section 12 and, based on the outcome of such an investigation, may disapprove such program. Regulations.

(h) For the purposes of this section, approval of a program of apprenticeship or other on-job training for the purposes of section 1787 of title 38, United States Code, shall be considered to meet all requirements established under this Act for approval of a program of job training.

PAYMENTS TO EMPLOYERS; OVERPAYMENT

SEC. 8. (a)(1) Except as provided in paragraph (3) and subsection (b) and subject to the provisions of section 9, the Administrator shall make quarterly payments to an employer of a veteran participating in an approved program of job training under this Act. Subject to section 5(c) and paragraph (2), the amount paid to an employer on behalf of a veteran for any period of time shall be 50 percent of the product of (A) the starting hourly rate of wages paid to the 29 USC 1721 note.

veteran by the employer (without regard to overtime or premium pay), and (B) the number of hours worked by the veteran during that period.

(2) The total amount that may be paid to an employer on behalf of a veteran participating in a program of job training under this Act is $10,000.

(3) In order to relieve financial burdens on business enterprises with relatively few numbers of employees, the Administrator may make payments under this Act on a monthly, rather than quarterly, basis to an employer with a number of employees less than a number which shall be specified in regulations which the Administrator shall prescribe for the purposes of this paragraph.

Certification.

(b) Payment may not be made to an employer for a period of training under this Act on behalf of a veteran until the Administrator has received—

(1) from the veteran, a certification that the veteran was employed full time by the employer in a program of job training during such period; and

(2) from the employer, a certification—

(A) that the veteran was employed by the employer during that period and that the veteran's performance and progress during such period were satisfactory; and

(B) of the number of hours worked by the veteran during that period.

With respect to the first such certification by an employer with respect to a veteran, the certification shall indicate the date on which the employment of the veteran began and the starting hourly rate of wages paid to the veteran (without regard to overtime or premium pay).

Liability to U.S.

(c)(1)(A) Whenever the Administrator finds that an overpayment under this Act has been made to an employer on behalf of a veteran as a result of a certification, or information contained in an application, submitted by an employer which was false in any material respect, the amount of such overpayment shall constitute a liability of the employer to the United States.

(B) Whenever the Administrator finds that an employer has failed in any substantial respect to comply for a period of time with a requirement established under this Act (unless the employer's failure is the result of false or incomplete information provided by the veteran), each amount paid to the employer on behalf of a veteran for that period shall be considered to be an overpayment under this Act, and the amount of such overpayment shall constitute a liability of the employer to the United States.

(2) Whenever the Administrator finds that an overpayment under this Act has been made to an employer on behalf of a veteran as a result of a certification by the veteran, or as a result of information provided to an employer or contained in an application submitted by the veteran, which was willfully or negligently false in any material respect, the amount of such overpayment shall constitute a liability of the veteran to the United States.

Overpayment recovery.

(3) Any overpayment referred to in paragraph (1) or (2) may be recovered in the same manner as any other debt due the United States. Any overpayment recovered shall be credited to funds available to make payments under this Act. If there are no such funds, any overpayment recovered shall be deposited into the Treasury.

(4) Any overpayment referred to in paragraph (1) or (2) may be waived, in whole or in part, in accordance with the terms and conditions set forth in section 3102 of title 38, United States Code. Waiver.

ENTRY INTO PROGRAM OF JOB TRAINING

SEC. 9. Notwithstanding any other provision of this Act, the Administrator may withhold or deny approval of a veteran's entry into an approved program of job training if the Administrator determines that funds are not available to make payments under this Act on behalf of the veteran to the employer offering that program. Before the entry of a veteran into an approved program of job training of an employer for purposes of assistance under this Act, the employer shall notify the Administrator of the employer's intention to employ that veteran. The veteran may begin such program of job training with the employer two weeks after the notice is transmitted to the Administrator unless within that time the employer has received notice from the Administrator that approval of the veteran's entry into that program of job training must be withheld or denied in accordance with this section. 29 USC 1721 note. Notification to Administrator.

PROVISION OF TRAINING THROUGH EDUCATIONAL INSTITUTIONS

SEC. 10. An employer may enter into an agreement with an educational institution that has been approved for the enrollment of veterans under chapter 34 of title 38, United States Code, in order that such institution may provide a program of job training (or a portion of such a program) under this Act. When such an agreement has been entered into, the application of the employer under section 7 shall so state and shall include a description of the training to be provided under the agreement. 29 USC 1721 note. 38 USC 1651 *et seq.*

DISCONTINUANCE OF APPROVAL OF PARTICIPATION IN CERTAIN EMPLOYER PROGRAMS

SEC. 11. If the Administrator finds at any time that a program of job training previously approved by the Administrator for the purposes of this Act thereafter fails to meet any of the requirements established under this Act, the Administrator may immediately disapprove further participation by veterans in that program. The Administrator shall provide to the employer concerned, and to each veteran participating in the employer's program, a statement of the reasons for, and an opportunity for a hearing with respect to, such disapproval. The employer and each such veteran shall be notified of such disapproval, the reasons for such disapproval, and the opportunity for a hearing. Notification shall be by a certified or registered letter, and a return receipt shall be secured. 29 USC 1721 note. Notification to employer and veteran; hearing.

INSPECTION OF RECORDS; INVESTIGATIONS

SEC. 12. (a) The records and accounts of employers pertaining to veterans on behalf of whom assistance has been paid under this Act, as well as other records that the Administrator determines to be necessary to ascertain compliance with the requirements established under this Act, shall be available at reasonable times for examination by authorized representatives of the Federal Government. 29 USC 1721 note.

(b) The Administrator may monitor employers and veterans participating in programs of job training under this Act to determine compliance with the requirements established under this Act.

(c) The Administrator may investigate any matter the Administrator considers necessary to determine compliance with the requirements established under this Act. The investigations authorized by this subsection may include examining records (including making certified copies of records), questioning employees, and entering into any premises or onto any site where any part of a program of job training is conducted under this Act, or where any of the records of the employer offering or providing such program are kept.

Agreement with Labor Department.

(d) The Administrator may administer functions under subsections (b) and (c) in accordance with an agreement between the Administrator and the Secretary providing for the administration of such subsections (or any portion of such subsections) by the Department of Labor. Under such an agreement, any entity of the Department of Labor specified in the agreement may administer such subsections, notwithstanding section 4(b).

COORDINATION WITH OTHER PROGRAMS

29 USC 1721 note.

SEC. 13. (a)(1) Assistance may not be paid under this Act to an employer on behalf of a veteran for any period of time described in paragraph (2) and to such veteran under chapter 31, 32, 34, 35, or 36 of title 38, United States Code, for the same period of time.

38 USC 1501, 1601, 1651, 1700, 1770.

(2) A period of time referred to in paragraph (1) is the period of time beginning on the date on which the veteran enters into an approved program of job training of an employer for purposes of assistance under this Act and ending on the last date for which such assistance is payable.

(b) Assistance may not be paid under this Act to an employer on behalf of an eligible veteran for any period if the employer receives for that period any other form of assistance on account of the training or employment of the veteran, including assistance under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) or a credit under section 44B of the Internal Revenue Code of 1954 (26 U.S.C. 44B) (relating to credit for employment of certain new employees).

96 Stat. 1322.

(c) Assistance may not be paid under this Act on behalf of a veteran who has completed a program of job training under this Act.

COUNSELING

29 USC 1721 note.

SEC. 14. The Administrator and the Secretary may, upon request, provide employment counseling services to any veteran eligible to participate under this Act in order to assist such veteran in selecting a suitable program of job training under this Act.

INFORMATION AND OUTREACH; USE OF AGENCY RESOURCES

29 USC 1721 note.

SEC. 15. (a)(1) The Administrator and the Secretary shall jointly provide for an outreach and public information program—

(A) to inform veterans about the employment and job training opportunities available under this Act, under chapters 31, 34, 36, 41, and 42 of title 38, United States Code, and under other provisions of law; and

38 USC 1501, 1651, 1770, 2001, 2011.

(B) to inform private industry and business concerns (including small business concerns), public agencies and organizations, educational institutions, trade associations, and labor unions about the job training opportunities available under, and the advantages of participating in, the program established by this Act.

(2) The Secretary, in consultation with the Administrator, shall promote the development of employment and job training opportunities for veterans by encouraging potential employers to make programs of job training under this Act available for eligible veterans, by advising other appropriate Federal departments and agencies of the program established by this Act, and by advising employers of applicable responsibilities under chapters 41 and 42 of title 38, United States Code, with respect to veterans. 38 USC 2001 *et seq.*, 2011 *et seq.*

(b) The Administrator and the Secretary shall coordinate the outreach and public information program under subsection (a)(1), and job development activities under subsection (a)(2), with job counseling, placement, job development, and other services provided for under chapters 41 and 42 of title 38, United States Code, and with other similar services offered by other public agencies and organizations.

(c)(1) The Administrator and the Secretary shall make available in regional and local offices of the Veterans' Administration and the Department of Labor such personnel as are necessary to facilitate the effective implementation of this Act.

(2) In carrying out the responsibilities of the Secretary under this Act, the Secretary shall make maximum use of the services of State and Assistant State Directors for Veterans' Employment, disabled veterans' outreach program specialists, and employees of local offices appointed pursuant to sections 2003, 2003A, and 2004 of title 38, United States Code. The Secretary shall also use such resources as are available under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 *et seq.*). To the extent that the Administrator withholds approval of veterans' applications under this Act pursuant to section 5(b)(2)(B), the Secretary shall take steps to assist such veterans in taking advantage of opportunities that may be available to them under title III of that Act or under any other program carried out with funds provided by the Secretary. 96 Stat. 1437. 96 Stat. 1380. 29 USC 1721. 96 Stat. 1364. 29 USC 1651.

(d) The Secretary shall request and obtain from the Administrator of the Small Business Administration a list of small business concerns and shall, on a regular basis, update such list. Such list shall be used to identify and promote possible training and employment opportunities for veterans. Small business opportunities.

(e) The Administrator and the Secretary shall assist veterans and employers desiring to participate under this Act in making application and completing necessary certifications. Application and certification assistance.

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. There is authorized to be appropriated to the Veterans' Administration $150,000,000 for each of fiscal years 1984 and 1985 for the purpose of making payments to employers under this Act and for the purpose of section 18 of this Act. Amounts appropriated pursuant to this section shall remain available until September 30, 1986. 29 USC 1721 note.

TERMINATION OF PROGRAM

29 USC 1721 note.

SEC. 17. (a) Except as provided under subsection (b), assistance may not be paid to an employer under this Act—

(1) on behalf of a veteran who applies for a program of job training under this Act after September 30, 1984; or

(2) for any such program which begins after December 31, 1984.

(b) If funds are not both appropriated under section 16 and made available by the Director of the Office of Management and Budget to the Veterans' Administration on or before October 1, 1983, for the purpose of making payments to employers under this Act, assistance may be paid to an employer under this Act on behalf of a veteran if the veteran—

(1) applies for a program of job training under this Act within one year after the date on which funds so appropriated are made available to the Veterans' Administration by the Director; and

(2) begins participation in such program within fifteen months after such date.

EXPANSION OF TARGETED DELIMITING DATE EXTENSION

Vocational education program.
29 USC 1721 note.

SEC. 18. (a) Subject to the limitation on the availability of funds set forth in subsection (b), an associate degree program which is predominantly vocational in content may be considered by the Administrator, for the purposes of section 1662(a)(3) of title 38, United States Code, to be a course with an approved vocational objective if such degree program meets the requirements established in such title for approval of such program.

(b) Funds for the purpose of carrying out subsection (a) shall be derived only from amounts appropriated pursuant to the authorizations of appropriations in section 16. Not more than a total of $25,000,000 of amounts so appropriated for fiscal years 1984 and 1985 shall be available for that purpose.

EFFECTIVE DATE

29 USC 1721 note.

SEC. 19. This Act shall take effect on October 1, 1983.

Approved August 15, 1983.

LEGISLATIVE HISTORY—H.R. 2255 (S. 1033):

HOUSE REPORT No. 98-116 (Comm. on Veterans' Affairs).
SENATE REPORT No. 98-132 accompanying S. 1033 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD, Vol. 129 (1983):
June 6, 7, considered and passed House.
June 15, considered and passed Senate, amended, in lieu of S. 1033.
Aug. 3, Senate concurred in House amendments.

○

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment
Washington, D.C. 20210

November 15, 1983

ASVET MEMORANDUM NO. 4-84

MEMORANDUM FOR: ALL REGIONAL AND STATE DIRECTORS FOR VETERANS' EMPLOYMENT AND TRAINING

FROM: WILLIAM C. PLOWDEN, JR.
Assistant Secretary for
Veterans' Employment and Training

SUBJECT: Procedures for Handling Federal Contracts Award Report

The microfiches distributed to the SDVETS were produced by the Federal Procurement Data System (FPDS). The second microfiche reflects the contract actions for that State for the third quarter of FY '83, arranged by Zip code.

The attached procedures are considered to be a starting point and are subject to revision. Please forward suggestions for improving the system to the National Office; Attention: Carlon Johnson/OPPLR.

Attachment

Attachment to:
ASVET Memo No. 4-84

Procedures for Handling
Federal Contracts Award Report

1) Microfiches received by OASVET from Federal Procurement Data Center (FPDC), on a quarterly basis.

2) OASVET separates microfiches by State and mails to 52 SDVETS'.

3) OASVET retains one set of microfiches for reference.

4) SDVETS' deliver the microfiches for their State to the person in charge of the SESA Federal Contractor Job Listing (FCJL) activity in that State.

   (a) Above delivery provides the SDVETS an opportunity to fulfill his responsibility to help FCJL coordinator administer the job listing and contractor contact portion of the program.

   (b) SDVETS activity related to FCJL should be included in reports, particularly problems and solutions.

5) FCJL coordinator should arrange for microfiche copies to be made and appropriate sections forwarded to each local office. If a State agency can utilize a computer tape from which to make copies, they should contact Mr. Grafton Biglow, FPDC Liaison, telephone (703) 235-2141. He will provide technical information and advice concerning ordering tapes from FPDC.

6) Each local office should have a file of Federal contractors identified previously to which those identified under this system should be added.

7) The list of Federal contractors should be reviewed for appropriate action, such as:

   (a) inclusion of certain contractors on employer relations schedule of visits,

   (b) sending introductory letters to contractors, or

   (c) combination of above and related actions.

   Such actions will serve to inform Federal contractors of their obligations under 38 U.S.C. 2012 and also of the availability of technical assistance and worker referrals through the local office.

8) If there is reason to believe any employer (whether or not on the list) is a Federal contractor, a letter or visit should be used to verify the employer's status as a Federal contractor. Then, if a Federal contractor is identified, the actions in paragraph 7 above should be taken.

9) In addition to informing and helping Federal contractors as described above, the contractor should be asked whether or not the contract in question has an effect on any other subsidiary, hiring location, or corporate affiliate. Names, addresses, telephone numbers and other pertinent information about such firms related to the contractor should be obtained and forwarded to the SDVETS. The SDVETS, should send any such information concerning Federal contractors to the SDVETS in the State where the affiliate is located.

This program should not be viewed as an enforcement confrontation with Federal contrators. VETS and State agencies have the responsibility of informing Federal contractors and helping them meet their obligations under the law. Federal contractors can be the source of job orders and State agencies can help them meet their employment needs!

36-366 0 - 84 - 8

STATEMENT OF WILLIAM C. PLOWDEN, JR.
ASSISTANT SECRETARY FOR
VETERAN'S EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
OF THE
COMMITTEE ON VETERAN'S AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

APRIL 5, 1984

Mr. Chairman and Members of the Subcommittee:

I welcome this opportunity to testify on the implementation and operation of the Emergency Veterans' Job Training Act of 1983. With me today, are Donald E. Shasteen, Deputy Assistant Secretary for Veterans' Employment and Training and Joseph C. Juarez, Director of Veterans' Employment and Training Programs.

As you are aware, this legislation was signed by the President on August 15, 1983. It provides for an employer reimbursement on-the-job training program. An approved employer who hires and trains an eligible Korean or Vietnam-era veteran would be reimbursed 50 percent of the veterans starting wage, up to $10,000, for the length of the training program. The program was initially funded on November 29, 1983.

Mr. Chairman, the law provides that the Emergency Veterans' Job Training Act be jointly administered by the Veterans' Administration (VA) and the Department of Labor (DOL). By agreement with DOL, the VA is primarily responsible for determining eligibi-

lity of veterans, approving training programs, and for payments to employers; we have primary responsibility for job development and job placement activity. The Department of Labor also accepted primary responsibility for employer outreach and public information. It is important to stress that our roles were determined by matching the experiences and functions of our respective agencies with the major tasks to be accomplished.

In planning for the implementation of this Act, both agencies were very cognizant of the fact that this was an emergency and short term program. Mr. Chairman, I would like to publicly recognize the Veterans Administration for an outstanding job in so quickly developing procedures for the administration of this Act. The cooperation of VA staff has been exceptional. Dorothy Starbuck, Lou Dollarhide, Ed Green, John Fox and numerous others are to be commended for their excellent leadership and hard work. The Veterans Administration issued the first instructions for implementation of the program on August 18, 1983.

In order to be as prepared as possible to assist veterans and employers at the field level, joint training sessions were conducted by the VA & DOL at the end of September 1983. The training sessions were conducted in Washington, D.C., Kansas City, Missouri, and Reno, Nevada and included field staffs of the VA, DOL and Job Service. The purpose of the training was to instruct our staffs in the policies and detailed procedures necessary for them

to provide training in their states to staff that would be working in the program. All of the States conducted local training by the end of November 1983 and thus had prepared some 2400 local Job Service offices to implement the program upon funding.

To assist in this training we prepared a Technical Assistance Guide (TAG) for implementation which contained all the VA's instructions. This TAG was distributed to all of the States for their use in local training and as a reference manual. I believe, Mr. Chairman, that we prepared our staffs to implement this program about as thoroughly and quickly as possible. VA, DOL and Job Service were prepared to assist and process applications from veterans and employers by the first week in October 1983. Because of this early preparation both agencies were prepared for implementation when funding was made available to the VA on November 29, 1983.

Outreach and public information were identified as key activities for ensuring success of the Emergency Veterans' Job Training Act. As early as mid August we met with VA staff to determine our strategies for an effective outreach and public information program. As I stated earlier, because of our linkage to the employer community and job seekers through some 2400 local Job Service offices, we agreed that the Department of Labor should have primary responsibility for reaching employers. In January 1984, we issued and distributed an information fact sheet on the job training

program directed to veterans as well as employers. These were distributed to VA and DOL offices in every State, for local distribution. We also produced and distributed three radio and four television public service announcements (PSA) aimed primarily at promoting employer participation. These PSAs were distributed to the top 100 major markets directly from the producer. Separate distribution was made to our VETS field staff for placement in smaller markets to ensure the widest possible coverage.

It has been especially gratifying to learn that many States have developed their own public information strategies and materials. Mr. Chairman, you saw some of those efforts in the film we showed at our employer's symposimum and reception held on March 27. We were most appreciative, Mr. Chairman, that you, Chairman Montgomery and Congressmen Hammerschmidt and Solomon took time to participate in that function. We were extremely pleased that some 45 States were represented by private sector employers. These employers have all made a commitment to assist us market this program in their States. We think that the involvement of the private sector will ensure the success of this program. Our State Directors are following up with these employers to make sure that we capitalize on their valuable support. We think it makes sense to have employers marketing this program to other employers.

We have planned several promotional activities to be carried

out in the next several months that will help to further bolster this program. We will be releasing a second round of radio and television public service announcements in May. It is planned that these will feature the successes of the program and thus generate employer interest. We are also planning a national emphasis approach by making the month of June 1984, "HIRE A VET" month. This month also coincides with the 40th Anniversary of the Veterans Preference Act. It is our plan to ask the States to plan "HIRE A VET" activities throughout the month of June. We are asking our State Directors to take the lead in a joint planning effort, to establish employer seminars that will advise employers of the Emergency Training Program as well as other programs that are available to assist them with hiring and training veterans. We will be providing the States with needed materials, which will include public service announcements, brochures and promotional and instructional video tapes.

With the cooperative efforts of VA, Job Service, Veteran Organizations, other agencies and the private sector, we think these employer seminars will give a tremendous boost to the progam and be very valuable for employers.

I believe that the collective efforts and activities of the VA and DOL speak very loudly to the commitment we have given to making this program work effectively. I have made the success of this program the number one priority of my agency. I have

backed that up by establishing goals for each State and by making those goals a part of my field staffs performance criteria. We have a dedicated field staff in DOL, VA and Job Service that I know are doing everything they can toward this effort.

There are several other actions that will contribute to the numbers participating in this program. Many of our Job Training Partnership Act grants are directed at marketing, job development and placement of veterans into the Emergency Jobs Training Program. These grants are just now becoming operational with all of them scheduled to be funded by the end of April. I would also add that our revised interagency agreement with ACTION's Vietnam Veterans Leadership Program (VVLP) calls for their 50 projects to be actively involved in marketing this program to employers as well as placing veterans in training opportunities. VVLP offers the potential for a tremendous resource of volunteers to help us place veterans in jobs.

Mr. Chairman, I would like to comment on two issues that have been raised as apparent problems. The first is the seemingly large gap between approved jobs and jobs filled. As of March 26, 1984, VA reported 20,116 jobs approved and 2,506 jobs filled. Our State Directors conducted a random sample of approved employers to verify the number of "real" jobs available. Nationally, the data shows that only 55 percent of the jobs are available immediately; 17 percent will be available within three months; 19 percent

will not be available for three months or longer; and five percent of approved jobs are no longer available. The data are not conclusive, but it does point out that nearly half of the approved job slots are not immediately available. We are encouraged that nearly all the jobs will become available for placement of veterans under the Emergency program.

The other issue that has been raised is our effectiveness in reaching the employer community. We did not reach our initial target for release of printed materials and public service announcements. However, we're now in full swing and expect to see rapid increase in employer participation and in job placement. As evidenced by my earlier comments, I think you'll agree that we are getting the word out to employers. I would also add that it takes time to "sell" any new program. Our friends from the Job Service tell us that even under the best of circumstances and program design that it takes at least six months before the employer community at large is willing to accept a new government program as potentially useful. As employers recognition of the program has grown, employers are now responding in increasing numbers.

Mr. Chairman, we greatly appreciate your support and the support of this committee. I also want to say, that we very much appreciate the assistance of the committee staff, Mack Fleming, Frank Stover, Jill Cochran and Rufus Wilson. On two occasions my staff has been invited along with VA to meet with staff of this committee and staff of Senate Veteran Affairs Committee to discuss implementation and operations of the Emergency Program. These sessions have been very helpful.

Thank you again, for this opportunity, I will be please to answer any questions you may have.

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment and Training
Washington, D.C. 20210

MAY 1 1984

Honorable Marvin Leath
Chairman, Subcommittee on
Education, Training and Employment
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

During the hearing on April 5, 1984, concerning the Emergency Veterans' Job Training Act of 1983, Congressman Gerald B. H. Solomon requested that the Committee be sent information as to the times of day that our public service announcements were being shown on television in certain parts of the country and a copy of the text of the announcements. The latter is enclosed.

I am enclosing also a summary indicating the number of television and radio stations that carried the announcements. Virtually none of the stations provided specific information as to the time of day that announcements were broadcast. Stations generally indicated that the spots were used "throughout the day," or were aired "three to five times a day" or "five to seven times a week."

A new series of spots is being prepared for release in May. We believe that they will be of superior quality and will be even more effective than those previously furnished to the broadcast media. We will inform you at the time the announcements are released.

We appreciate your strong and continuing support of this important program.

Sincerely,

Bill

WILLIAM C. PLOWDEN, JR.
Assistant Secretary for
Veterans' Employment and Training

Enclosures

PUBLIC SERVICE ANNOUNCEMENT RESPONSES BY STATE

	RADIO	TV
Alabama	5	3
Alaska	3	
Arizona	5	1
Arkansas	7	1
California	13	8
Colorado	3	1
Connecticut	3	
Delaware	2	1
District of Columbia		
Florida	10	3
Georgia	13	5
Hawaii	1	
Idaho	5	1
Illinois	4	3
Indiana	8	2
Iowa	8	1
Kansas	2	2
Kentucky	6	2
Louisiana	9	2
Maine	4	2
Maryland	4	1
Massachusetts	4	1
Michigan	11	4
Minnesota	10	
Mississippi	7	3
Missouri	9	5
Montana	3	2
Nebraska	9	
Nevada	2	1
New Hampshire	2	1
New Jersey	3	
New Mexico	5	1
New York	10	7
North Carolina	11	3
North Dakota		1
Ohio	16	3
Oklahoma	5	2
Oregon	6	2
Pennsylvania	17	3
Puerto Rico	5	1
Rhode Island	2	1
South Carolina	1	
South Dakota		1
Tennessee	6	2
Texas	14	5
Utah	4	3
Vermont	3	
Virginia	16	3
Washington	9	2
West Virginia	3	4
Wisconsin	6	3
Wyoming	5	

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment
Washington, D.C. 20210

PRINT PUBLIC SERVICE ANNOUNCEMENT

HEADLINE: BE A WINNER!!

COPY: HIRE A VETERAN AND WIN TWO WAYS:

1. GAIN THE EXPERIENCE AND CAN-DO ATTITUDE THAT MEN AND WOMEN ACQUIRE IN THE U.S. ARMED FORCES.

2. GET REIMBURSED FOR UP TO $10,000 OF YOUR COMPANY'S COSTS OF HIRING QUALIFIED VETERANS AND TRAINING THEM IN NEW SKILLS.

BE A WINNER. HIRE A VETERAN.

FOR MORE INFORMATION CALL YOUR LOCAL JOB SERVICE OR VETERANS ADMINISTRATION OFFICE TODAY.

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment
Washington, D.C. 20210

RADIO PUBLIC SERVICE ANNOUNCEMENTS

#1 I HAVE TO HIRE THE BEST PEOPLE FOR MY BUSINESS.
SO YOU KNOW WHAT I'M GOING TO DO?
HIRE A VETERAN!
BECAUSE THEY HAVE THE EXPERIENCE AND KNOW HOW TO GET A JOB DONE RIGHT. AND NOW THERE'S ANOTHER BONUS - A NEW PROGRAM THAT CAN REIMBURSE ME UP TO $10,000 OF THEIR SALARY DURING TRAINING.
DO YOU HAVE TO HIRE THE RIGHT PERSON TOMORROW?
PICK UP THE PHONE AND CALL YOUR LOCAL JOB SERVICE OR THE VETERANS ADMINISTRATION.
VETERANS ARE READY, WILLING AND PROFIT/ABLE FOR YOU!

#2 THIS MESSAGE IS FOR EVERY EMPLOYER, LIKE ME, WHO HAS TO GO INTO WORK TOMORROW AND HIRE THE RIGHT PERSON TO DO A JOB.
VETERANS HAVE THE EXPERIENCE AND APTITUDE I NEED IN MY BUSINESS.
AND NOW THERE'S AN ADDED BONUS THAT CAN REIMBURSE ME UP TO $10,000 OF THEIR SALARY DURING TRAINING.
WANT TO GET THE RIGHT PEOPLE?
HIRE A VETERAN -- BECAUSE THEY ARE READY, WILLING AND PROFIT/ABLE.
CALL YOUR LOCAL JOB SERVICE OR VETERANS ADMINISTRATION FOR DETAILS.

#3 WE'VE KNOWN FOR A LONG TIME WHAT IT TAKES FOR OUR COMPANY TO MAKE MONEY! HIRING THE RIGHT PEOPLE!
EXACTLY, AND DO YOU KNOW WHO SOME OF OUR BEST PEOPLE ARE?
VETERANS!
AND NOW THERE'S A NEW PROGRAM THAT MAKES HIRING A VETERAN EVEN MORE PROFITABLE. IT CAN REIMBURSE YOU UP TO $10,000 TO HIRE AND TRAIN A VETERAN.
THEY ARE READY, WILLING AND PROFIT/ABLE FOR YOU.
CALL YOUR LOCAL JOB SERVICE OR VETERANS ADMINISTRATION AND ASK ABOUT THE NEW VETERANS' JOB TRAINING PROGRAM TODAY.

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment
Washington, D.C. 20210

TELEVISION PUBLIC SERVICE ANNOUNCEMENTS

#1 WE'VE KNOWN FOR A LONG TIME WHAT IT TAKES FOR OUR COMPANY TO MAKE MONEY! HIRING THE RIGHT PEOPLE!
EXACTLY, AND DO YOU KNOW WHO SOME OF OUR BEST PEOPLE ARE?
VETERANS!
AND NOW THERE'S A NEW PROGRAM THAT MAKES HIRING A VETERAN EVEN MORE PROFITABLE. IT CAN REIMBURSE YOU UP TO $10,000 TO HIRE AND TRAIN A VETERAN.
THEY ARE READY, WILLING AND PROFIT/ABLE FOR YOU.
CALL YOUR LOCAL JOB SERVICE OR VETERANS ADMINISTRATION AND ASK ABOUT THE NEW VETERANS' JOB TRAINING PROGRAM TODAY.

#2 THIS MESSAGE IS FOR EVERY EMPLOYER, LIKE ME, WHO HAS TO GO INTO WORK TOMORROW AND HIRE THE RIGHT PERSON TO DO A JOB.
VETERANS HAVE THE EXPERIENCE AND APTITUDE I NEED IN MY BUSINESS.
AND NOW THERE'S AN ADDED BONUS THAT CAN REIMBURSE ME UP TO $10,000 OF THEIR SALARY DURING TRAINING.
WANT TO GET THE RIGHT PEOPLE?
HIRE A VETERAN -- BECAUSE THEY ARE READY, WILLING AND PROFIT/ABLE.
CALL YOUR LOCAL JOB SERVICE OR VETERANS ADMINISTRATION FOR DETAILS.

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GPO 904-194

STATEMENT BY ROBERT E. DAVID
EXECUTIVE DIRECTOR
SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION

AND

CHAIRMAN, VETERANS' AFFAIRS COMMITTEE
OF THE
INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.

TO

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

HOUSE VETERANS' AFFAIRS COMMITTEE

APRIL 5, 1984

Mr. Chairman, Members of the Subcommittee, my name is Robert E. David. I am Executive Director of the Employment Security Commission of South Carolina and Chairman of the Veterans' Affairs Committee of the Interstate Conference of Employment Security Agencies, Inc. (ICESA). With me today is Mr. C. Bruce Cornett, Director of the Missouri Division of Employment Security and Co-Chairman of the ICESA Veterans' Affairs Committee. The Interstate Conference represents the public employment service and unemployment insurance systems in all fifty (50) states, the District of Columbia, Puerto Rico and the Virgin Islands. We appreciate the opportunity to appear before you today, to share with you our experiences in assisting eligible veterans and employers to participate in the training programs created by the Emergency Veterans' Job Training Act (EVJTA) of 1983, Public Law 98-77.

At the outset, I wish to emphasize that our experience in administering employment and training programs for over 50 years has taught us that new initiatives, particularly those which are dependent upon the private sector for their success, take at least six months to effectively implement, under the best of conditions. Even if the procedural aspects of the program have been tested and reduced to their simplest form, and if publicity has been packaged and in place at the start of operations, the employer community will not immediately accept and participate in a new program. The education of the private sector in understanding the benefits of a new program, as well as their specific responsibilities if they choose to participate, takes time. Our agencies have experienced this situation in the past, the most recent being with the Targeted Jobs Tax Credit (TJTC).

The building of employer confidence is a gradual process. However, even considering this proven fact, if the procedures involved in the processing of required forms and requests are not streamlined, making it simple and easy for employers and applicants to participate, the program will not succeed. This requires extensive, advance planning, not only on the part of statutorily designated Federal agencies but even more importantly state and local organizations.

Our experience has shown that employers will turn away from new initiatives that involve a complexity of forms, require a multiplicity of administrative entities to be dealt with, or where delays in processing are experienced. They demand simplicity in program administration, where very little of their time is involved. This is particularly true of small and medium size employers who do not have the time or designated staff to deal with specialized programs. In this regard, also, employment and training initiatives are, to some extent, in competition with one another. This is true not only from the standpoint of profitability to employers, but also in relation to program complexity--the administrative demands that accompany participation. One program will be favored over another simply because it is less demanding of the employer's time.

In light of the above factors, all of which impact on program success, I must report to this Subcommittee that, in our opinion, the EVJTA operating procedures have created barriers to the successful operation of the Program. In this regard, I would like to provide the Subcommittee with a copy of the survey results that our organization compiled regarding

the involvement of the Employment Service (ES) System in the day-to-day operations of the Program. The most significant problem area addressed by the states is the processing of the eligible veteran and employer requests to participate in the Program. It has been characterized as complex and lengthy, involving more agencies and organizations than are actually necessary.

To correct these major deficiencies, we recommend that serious consideration be given to placing greater administrative control in the hands of a single agency, much like the Congress established when they created the TJTC. In the tax credit program, State Employment Security Agencies (SESA's) certify the eligibility of both applicants and employers. Each group deals, for the most part, with a single point of contact regarding certification; and processing is handled in an expeditious manner. In our six years of administering TJTC, employer involvement has grown so rapidly that in the current fiscal year all administrative funds will have been expended within the next 30 days. In FY 1983, the ES certified over 400,000 employer requests (this equates to hires), over a 100% increase from FY 1982. Employing establishments of all sizes are using the Program; one of the most attractive features is the simplicity of the processing--one form and one point of contact. Over the past few weeks we have been in contact with the VA and Mr. Plowden's staff, regarding our survey findings and recommendations. I am pleased to report that they are most responsive, and we feel confident that improvements are being considered.

36-366 O - 84 - 9

Mr. Chairman, our survey has revealed a number of other issues which we believe can be resolved administratively. However, there is one area, in particular, that I would like to review with this Subcommittee because of the impact it appears to be having on the private sector. Specifically, employers cannot be certain that Program funds will be available to support their training plan. This discouraging fact is even stated on one of the Program's forms, and is causing some employers to refrain from participation.

One solution that we have previously recommended to the VA is that they inform those Federal, State and local agencies participating in the Program, on a frequent basis, of the amount of Program funds remaining. This will permit our staff to more accurately plan public relations and employer outreach efforts, and also to give employers some indication regarding fund availability.

Mr. Chairman, this concludes my statement for the record, but I would like to take this time to inform the Subcommittee of the cooperation and support that we have had from the Assistant Secretary of Labor for Veterans' Employment and Training. Mr. Plowden and Mr. Shasteen, and their staff, particularly Joe Juarez, have worked closely with the State Employment Service Agencies regarding this Program, as well as a myriad of programmatic and administrative areas related to our responsibilities under Title 38, USC, Chapters 41 and 42. Two of Mr. Plowden's staff actually serve on the ICESA Committee that I chair. We believe Mr. Plowden has been an ardent supporter of the Employment Service System, and we are most grateful for his contributions.

On behalf of the members of the Interstate Conference of Employment Security Agencies, Inc., let me again express our appreciation for being allowed to participate in this hearing. Mr. Cornett and I will be most willing to respond to any questions that you or the other members may have at this time.

Interstate Conference of
Employment Security Agencies, Inc.
444 North Capitol Street, N.W.
Suite 126
Washington, D.C. 20001

EMERGENCY VETERANS JOB TRAINING ACT OF 1983 (P.L. 98-77)

Status Report of Major Program Areas for the Period Ending January 31, 1984

I. What date did the program operationally begin in your state?

Of 49 states reporting, nearly 70% began operations between mid-November and early December 1983. Nearly 20% of the states initiated Program activity in October or early November.

II. Total number of veterans applications (VA Form 22-8932) taken by Employment Service (ES) staff (including DVOPs and LVERs) and submitted to the VA.

59,468 (46 states responding)

Of this number, how many did the VA approve?

33,040 (43 states responding)

Disapprove?

5,905 (39 states responding)

How many veterans applications from your state were approved by the VA that came from sources outside the ES?

This information was not available to a majority of the states.

Briefly comment on any significant problems in the processing of veterans applications.

A majority of the 49 states responding described significant delays on the part of the VA in processing veterans applications. In many states, the delay extends from four to six weeks. Other significant problems are listed as follows:

- Delays in processing are being caused by veterans who are having difficulty obtaining their original form DD-214 or a certified copy as required by the VA.

- The ES does not receive notification from the VA of the individual veterans who have been certified for the Program. For those veterans registered by the ES, the ES must maintain applicant contact to determine VA disposition. The ES has no way of monitoring the approval process for those veterans not registered by the ES.

- A few states reported problems in obtaining sufficient quantities of the veterans application form.

III. Total number of employer applications (VA Form 22-8931) submitted to the VA as a result of ES involvement.

5,144 (49 states responding)

Of this number, how many did the VA approve?

3,460 (47 states responding)

Disapprove?

141 (45 states responding)

How many employer applications from your state were approved by the VA, for which there was no ES involvement?

This information was not available to a majority of the states.

Briefly comment on any signficant problems associated with the processing of employer applications.

A majority of the 49 states responding described significant delays on the part of the regional VA offices in processing employer applications forms, and with the VA Houston Center in processing "intent to hire" forms. Further, there was overwhelming evidence that employers compare the procedural complexity of this Program with the more streamlined process established in the TJTC Program, as well as OJT and related programs offered by the service delivery areas under the Job Training Partnership Act (JTPA). Employers with small and medium size staffs, especially, do not have the time or designated personnel to deal with the processing/reporting requirements of this type of Program. They have difficulty understanding the level of detail needed on the work process form.

It was also reported that many employers do not wish to devote the time necessary to apply for a Program where funds may not be available.

IV. How many veterans, who were directly served by the ES, entered training?

957 (49 states responding)

Completed training?

(All participants still enrolled).

How many veterans in your state, who were not directly served by the ES, entered training?

Information not available to a majority of the states.

Completed training?

Information not available to a majority of the states.

V. Over a 12 month period, what will your costs be to support this Program (outside of DVOP/LVER funding)?

$1.9M (39 states responding)

What source(s) of funds is the ES using to support the program?

A majority of the states report that DVOP and LVER staff will provide the primary support for the Program. About half of the states will be using a portion of the Wagner-Peyser, Section 7(a) grant, while a few list support from Wagner-Peyser Section 7(b)--the Governor's 10% set-aside.

VI. Other comments about the program you wish to provide.

The lack of effective public relations material was the major response. Others included:

- The demand list of occupations and industries does not coincide with the economic picture for all states. Special requests have had to be processed, taking considerable time.
- The VA should periodically advise the SESAs of the availability of funds.
- LVERs and DVOPs are devoting considerable time to the OJT Program at the expense of their other statutory responsibilities.
- A reporting system would be helpful.

TESTIMONY

of the

Employers' National Job Service Committee

before the

Subcommittee on Education, Training and Employment

of the

Committee on Veterans Affairs

United States House of Representatives

on

Emergency Veterans Job Training Act of 1983

April 5, 1984

Mr. Chairman. Members of the Subcommittee. I appreciate the opportunity to appear hear before you to express some of the views of Private Sector Industry on the Emergency Veterans Job Training Act.

My name is Herb Roach. I am Vice President of Basler Electric Company, in Highland, Illinois, and I am here as Chairman of the Employers' National Job Service Committee.

The Employers' National Job Service Committee is made up of more than 20,000 employers from across the entire United States. This committee was started in 1971 to give input from the Private Sector to the Department of Labor, on how to improve and make more effective, the job service and labor exchange function. Since its beginning in 1971, it has expanded its role, not only to give input on the job service, but to also give input to the Department of Labor on other matters effecting employment and training programs that involve the Private Sector.

The Job Service Employer Committee concept is the epitomy of private sector volunteerism. It is made up of persons who are truly interested in developing or improving existing programs, that will enhance the employment of workers into private sector positions. These individuals gain nothing financially from the JSEC activities, nor does the organization. We do not have, nor do we want, any paid staff or buildings, nor are we interested in political gains.

It is an organization which is so unique, and unlike any other private sector participation because of its direct and pure private sector input. It offers the purest form of response from, and input into, private

sector personnel that work with employment and training programs. It covers employers of all sizes, all types, and from all sections of our country, and has proven in more than one instance, its ability to give direct and unbias input to the Department of Labor, upon the departments request. I would also like to mention that our committee has volunteered to work with the Department of Labor on getting this program off the ground.

At the outset of my testimony, I would like to say that the basic program, and the ideas behind this program, are very strongly supported within the Private Sector, if it functioned as was intended. I say this because it gets to the heart of a basic problem, and that is putting the veteran back to work in the Private Sector, and off of subsidy programs, and it does it through OJT programs, which can be used by all types of firms, and in all types of positions within these firms.

Having met with Secretary Plowden with the Veterans Employment and Training Department, and with Administrator Harry Walter of the Veterans Administration, it is my belief that both of these gentlemen, and their staffs, are deeply concerned about this program and want to see it work.

Since I was asked to come before your committee, I have been in touch with employers from across the country concerning this act, and would like to point out to you, problems which may be keeping this program from being more effective, and which needs to be addressed and understood if it is to really get off the ground. The following are not all the concerns I've heard, but are those which I've heard several times.

I will separate these problem areas into two distinctive, different areas. The first being General Organization and Development, and the second being Problems with the Program Itself.

I. General Organization and Development

1. You must always remember that employers are some what leery of being involved with government programs. This makes planning stages and the development portion of any program that much more critical when being originated. This feeling is generated because of bad experiences the Private Sector has had with dealing with various government agencies in the past.

2. Marketing and/or publicity is a key to get any program off the ground, and we do not feel that this has been done very well to date. As you know, no programs will ever be used if people are unaware of them. We have found that many employers throughout the country are totally unaware of this program, therefore, no matter how good a program is, if people are unaware of it, they will not use it. Often times government programs are put together in such rapid manners, for whatever reasons, and pushed into the field without proper support, and publicity is one of those supports that this program has lacked.

3. Another problem, which is often due, again, to the rapid process of putting a program together and putting it into the field, for whatever reason, is not having people in the field, who are implementing these programs, trained properly on how these programs are to work, and this has been the case with this program. Those

problems are compounded when you have more than one agency involved in a program, because both agencies need to be aware of the other agencies needs so that they can work well together. Examples of this, and the problems that they cause, would be as follows:

a. The two types of persons who normally work with Veterans programs that are part of the job service, who are called Veterans Representatives, and Disabled Veterans Outreach personnel, are very well trained with how to work with Veterans, but they have never had to interface a great deal with the Private Sector, and had to sell programs to the Private Sector. This has caused a number of problems in different areas, those being 1) people were ineffective in how to go out and market the program to the Private Sector, and 2) the employment service had to draw from their other personnel to aid in doing this, and this put additional pressure on the employment service because they received no additional administrative funds from this, and it did spread the other personnel too thin to cover other jobs adequately.

b. If you couple with the above problems, the fact that the people who work with the employment service offices, do not get any feedback from the Veterans Administration on certification, plus in some areas, we understand that they can't even call to get follow-up information on candidates they have sent on for approval to the Veterans Administration. This definitely causes tension and hard feelings, and takes away motivation for a person being able to know that they did a job well.

c. In addition to the above two items, employment service people who are trying to go company to company, feel like they are left out in the cold when large employers are allowed to go directly to the Veterans Administration and completely ignore the employment service.

4. Another problem area, was the way funding was allocated on the program. I am sure it was meant with good intention, with the hope that people would hurry to use the program when funding was allocated on a first come, first serve basis, but in some states it has worked quite the opposite. Some states which tried to wait until they could get their act completely together, and make sure they understood everything fully before they went out to market the program, now feel that it is too late for them to get started because funds are already allocated, and with the limited resources they have to work with, they feel it could be a waste of time and other precious resources.

5. Another problem that you are running into, is that you have two other major programs in the field that many of these applicants can be hired under. They are the Targeted Job Tax Credit Program, and training under the Job Training Partnership Act, and both of these programs are seen by the Private Sector to be simpler and easier to use.

6. And last but not least, of this group of difficulties, is the mere fact that it takes time for any program to get off the ground, even if it is perfect. I would ask you just to look at the difficulties that existed with getting the Targeted Job Tax Credit Program up and running, and this program is now viewed by employers as being one of the best ever put together by the Federal Government, because of its straight forward approach and ease of administration.

II. Problems with the Program Itself

1. This program is viewed as being to complex, and for the small and medium size employers, which employ 80% or more of the workers, the last thing they want is something that is going to cause more administration. They came up with this assessment when they compared it with the other two programs that I mentioned before, and they are informed that it will be several weeks before they will know if the people are approved or not, and when they find out that there is more than one bureaucracy that they have to deal with. Most employers would rather deal with one agency so that when they have questions, they have one contact. This gives them a feeling that they would get less run around.

2. Many employers feel that the program is designed to help only the so called, problem children, and not the good, hard working Veteran. An example of this, is if a Veteran who truly wants to make something of himself and for his family, is unemployed, he will probably try to take any kind of part time work, or fill in work, that he can

so he can furnish income to himself and his family. But under the restrictions in this act, he must be unemployed for 15 of the last 20 weeks. Many of these people are not eligible for the program, therefore, this works against those Veterans.

3. There has been numerous reports of excessive delays on approvals of both employers applications, and Veterans applications.

4. Any time you have two separate agencies, such as the Employment Service and the Veterans Administration, there is bound to be a protection of turf type of syndrome, and this does not lead to the best of total cooperation, which is needed to implement this program. The way it is set up in some states, believe it or not, the heads of these two agencies have never met to discuss their problems or differences, as I am standing here before you.

5. Last but not least, this program is being haunted by the ghost of former Veterans programs. Many employers that worked with past programs now want no part of any Veterans program because of their total unhappiness with it, due to excess paper work and additional red tape. Therefore, these employers are totally turned off on any Veterans program.

Mr. Chairman, this concludes my testimony, but in closing, I would like to thank you on behalf of the Employers Committee and Private Sector in general, for having the opportunity to give you this input.

If the Employers Committee can give you any further input that would be of help to you in looking at this program, or others such as it, we would be more than happy to do so. I would now be willing to answer any questions that the committee may have for me.

EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

TESTIMONY

PRESENTED BY

JEANETTE RANDALL

GOVERNMENT AFFAIRS REPRESENTATIVE

OF

AMERISERV CORPORATION

SUBCOMMITTEE ON EDUCATION,

TRAINING, AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS AFFAIRS

APRIL 5, 1984

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to testify before you today to present the views of Ameriserv and its fifteen hundred (1,500) corporate clients on the Emergency Veterans Jobs Training Act.

My name is Jeanette Randall. I am the Government Affairs Representative for Ameriserv, which was formerly Charter Business Services. Ameriserv is pleased to have the opportunity to work with the Veterans Administration assisting in the placement of veterans in jobs provided by the Emergency Veterans Jobs Training Act. As we have represented our corporate clients in the successful implementation of tax incentive job programs, we look to the challenge of providing veterans with respectable training and employment possibilities.

Our clients are most enthusiastic about hiring and training veterans. We received a letter from the Veterans Administration approving our involvement on March 14, 1984. As of Tuesday, April 3, 1984, Ameriserv had received one hundred and fourteen (114) job orders, written fifty-four (54) training programs, sent nine (9) veterans on interviews that resulted in one (1) job placement. These job orders represent only three (3) of our corporate clients. In the short time we have had to survey clients, so far twenty-three (23) have indicated they have jobs for veterans. These jobs encompass a full range of opportunities and interests including manager training, the trades, and hotel services. In less than two (2) weeks Ameriserv received sixty (60) store and six (6) district management position orders from Little General alone. We believe with just the employers we represent, that four hundred to six hundred (400 - 600) jobs per month will easily be made available to veterans seeking

.career-type employment by June of this year.

Bill Bryant, the Veterans Service Officer for the state of Florida, reported that since February 6, 1984 the number of employers approved increased from one hundred and eighty-three (183) to four hundred and six (406). Veterans approved for certification increased from seven hundred and sixty-four (764) to one thousand, nine hundred and eighty-two (1,982) and the number of veterans placed from ten (10) to eighty-eight (88). Bryant predicts a continuing increase in applications and placement as employers learn about the program. The word is slowly reaching veterans as Florida Job Service Offices have reported an increase in veteran inquiries. Once veterans are determined eligible, paperwork for certification is sent to regional offices for processing. This process now takes from two (2) to five (5) weeks or more. This waste of valuable training and work time is one more frustration that could be remedied by hiring additional staff as the numbers of certifications to be processed increase. Veteran Administration regional offices in Florida are now copying all approved programs to Job Services, so they can more easily match veterans with the available jobs. This type of cooperation and communication needs to be implemented nationwide.

The real question to be answered is, are we willing to give the Emergency Veterans Job Training Act a chance to succeed? Because, if we are, we need to examine one very important aspect of the program....and that is the question of time. There simply is not enough. Unlike other job incentive programs, such as Targeted Jobs Tax Credits and the Job Training Partnership Act, that have been afforded time to successfully develop a working structure, the Emergency Veterans' Job Training Act was to have taken effect on July 1, 1983, however it was not funded until November 1, 1983. As of March 29, 1984 seventy three thousand (73,000) veterans have been certified, with only one thousand,

five hundred and seventy-two (1,572) placed in jobs nationwide. Four months of valuable time have passed, and due to the less than desirable early showing the program is considered to be in jeopardy before it has been given a chance to prove itself. The Job Training Partnership Act was given nine (9) months to develop before launching into the two (2) year funding period. During the first six (6) months of Targeted Jobs Tax Credits in 1979, thirty-seven thousand and twenty (37,020) certification vouchers were issued compared to the three hundred and five thousand, seven hundred and forty-three (305,743) certification vouchers issued in fiscal 1980 and the four hundred and eighteen thousand, five hundred and eighty one (418,581) certification vouchers issued in fiscal 1981.

Currently the Emergency Veterans' Job Training Act is hampered by two regulations that if not changed will sound the death knell for nearly six hundred thousand (600,000) eligible veterans seeking jobs. The problem regulations as well as our recommendations are as follows:

1. Veterans must have certificates of eligibility if they are hired by December 1, 1984, if they are to qualify under the program. That leaves over five hundred thousand (500,000) veterans yet to be reached. To accomplish this in eight months is next to impossible, especially with the lag in the certification process. We recommend that the date be extended so that veterans may be certified two (2) years after funding became available - November 1, 1985.

2. Veterans must be hired and begin training by February 1, 1985. Again, the time limitations are too stifling to successfully reach veterans in time. Ameriserv recommends that date be extended to November 1, 1985.

Given the possible changes recommended, the Emergency Veterans Job Training Act would need to be funded to the full extent of the two year program. In December of 1983, returns from an employment incentive survey representing sixty-seven (67) corporations with over two hundred and forty six thousand (246,000) annual hires indicated that fifty-five percent (55%) were not knowledgable of the Emergency Veterans' Job Training Act.

Our clients are willing to make a commitment to veterans, but we need a commitment made to the private sector that demonstrates willingness to give us the time and the financial support needed to make this program work.

So if I may summarize Ameriserv's position:

1. *Extend from February to November 1, 1985, the date that veterans have to be in an on-the-job-training program. This will give enough time to promote the program to employers and give enough time for the employer to implement the program.*

2. *Allow the deadline for processing the Veterans Certificate of Eligibility to move to November 4, 1985. Give the veteran every consideration to be certified for the program. There are hundreds of thousands of eligible, employable veterans who have not been certified.*

3. *Closely coordinate activities between the Job Service Offices and Regional Veteran Administration Offices so that the Veteran Administration copies the Job Service Offices with (a) any Approved Employers Application for Approval of a Job Training Program and (b) a list of all the certified veterans in the local Job Service areas.*

4. *Hire additional staff in the Veterans Administration to administer the program more effectively.*

Ameriserv intends to track the veterans placed with our clients and maintain follow-ups from the employee and the employer. Forty thousand (40,000) Vietnam and Korean veterans currently live in Florida. Ameriserv will be prepared to document the progress of this program and report our findings one year from now. The employer community is just now becoming aware of the service. Six hundred thousand (600,000) veterans are eligible for certification. It is time... as a matter of fact, it is past time to do something. We have had an obligation to these veterans, let us now do something constructive to assist them. I encourage you to make the recommended changes. I look forward to appearing before you again with hundreds of success stories. Thank you for the opportunity to speak before you today.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

STATEMENT OF

DONALD H. SCHWAB, DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
U. S. HOUSE OF REPRESENTATIVES

WITH RESPECT TO THE EMERGENCY VETERANS'
JOB TRAINING ACT OF 1983

WASHINGTON, D. C. APRIL 5, 1984

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the privilege of appearing before this distinguished Subcommittee to present the views of the Veterans of Foreign Wars of the United States.

My name is Donald H. Schwab, and it is my privilege to serve the more than 1.97 million men and women of the Veterans of Foreign Wars as their National Legislative Director.

As is a matter of record, Mr. Chairman, the President signed H.R. 2355, as amended, the "Emergency Veterans' Job Training Act of 1983," on August 15, 1983, at our VFW National Convention in New Orleans, Louisiana, and it became Public Law 98-77. Funding was to be in the amount of $150 million in the fiscal year 1984 and an additional $150 million in the fiscal year 1985 to assist some 50,000

Vietnam Era and Korean veterans who have been unemployed 15 of 20 weeks immediately preceding the date of a veteran's application for participation in the program.

Mr. Chairman, first funding for this program in the amount of $75 million was contained in the "Continuing Appropriation, 1984." Public Law 98-151, approved November 14, 1983. The additional $75 million for the fiscal year 1984 was provided in the "Supplemental Appropriation, 1984," Public Law 98-181, approved November 30, 1983. However, $20 million was immediately transferred to readjustment benefits for educational assistance leaving $130 million for job training. Then to our complete amazement, the President's proposed budget for the fiscal year 1985, submitted to Congress in January contained no funding for Public Law 98-77. For an explanation of this absence of funding, permit me to quote from Volume 1 of the Veterans Administration Budget: "Because of an expected improvement in the economy resulting in lower unemployment among Vietnam Era and Korean Conflict veterans, the initial funds provided for this program will be sufficient to meet the objectives established for the 'Emergency Veterans' Job Training Act of 1983.' An appropriation will, therefore, not be required."

Mr. Chairman, the Administration's rationale is self-serving in that both the Veterans Administration and the Department of Labor opposed passage of the enacting legislation in testimony cleared by the President's Office of Management and Budget and, furthermore, is not borne out by the facts. Quoting from the full Committee's report to the Budget Committee: "The unemployment situation is improving. However, veterans' unemployment continued to be unacceptably high. According to the Bureau of Labor Statistics, during January 1984, more than 571,000 Vietnam Era veterans were unemployed and 207,000 of these had been out of work 15 weeks or longer. The total of eligibles for this program is much higher since the Bureau of Labor Statistics does not compute information on Korean veterans as a group."

Mr. Chairman, according to figures furnished by the Veterans Administration, which has approval authority under this program, as of March 28, 1984, 126,390 veterans have applied for training under the provisions of Public Law 98-77 and 91,085 applicants have been approved. Ten thousand, eight hundred five employers have applied for participation in the program and approval has been granted to 9,461 employers. This represents 20,116 job slots and 2,506 positions filled. At that time, $11,620,317 million had been expended. Considering the delay in making funding available for this program, coupled with the slow start of the outreach effort by the Veterans Administration and the Department of Labor which delayed publicizing the program and making application forms available to both veterans and employers, the response is most encouraging. As a matter of fact, we are only now beginning to witness a very rapid increase in the momentum of the program.

Mr. Chairman, the VFW concurs in the full Committee's opinion that the initial funding will be insufficient to meet the increased demand for training. The VFW applauds and supports the request made to the Budget Committee to add $75 million to the fiscal year 1985 Veterans Administration budget for this purpose. In addition, we would urge an early supplemental appropriation for the other $75 million for the fiscal year 1985 if participation in the program so dictates since applications must be submitted by November 29, 1984, and no payments may be made for any veteran who is not in training before March 1, 1985.

Mr. Chairman, on Tuesday, March 27, 1984, the VFW attended an informational symposium and reception on the "Emergency Veterans' Job Training Act of 1983," which was held at the Department of Labor and jointly hosted by Secretary of Labor Raymond J. Donovan, Administrator of Veterans Affairs, Harry N. Walters and Assistant Secretary for Veterans Employment and Training, William C. Plowden, Jr. At this meeting, there were representatives of private sector employers from

approximately 45 states, representatives of the major veterans' organizations involved in the development of this program, and distinguished representatives from other government agencies having a vested interest in veterans' employment and business development. It was also gratifying to see the champions of this legislation in Congress attending this meeting and to have them address the audience -- the Honorable Strom Thurmond, Senior Member of the Senate Veterans' Affairs Committee; the Honorable G. V. "Sonny" Montgomery, Chairman of the House Veterans' Affairs Committee; and the Honorable John Paul Hammerschmidt, Ranking Minority Member of the House Veterans' Affairs Committee.

Of special significance, in our opinion, Mr. Chairman, were your comments -- a distinction earned as the originator of this milestone legislation. The Veterans of Foreign Wars is indeed grateful tc you, and those already mentioned, for your continued support of programs such as these. While I personally did not have the privilege of attending this symposium, the report given by our representative there indicates that it was quite inspiring, particularly the presentations made by two major employers who have already participated in this program. We only wish that many more such symposiums with greater numbers of employers could be held throughout the nation.

After giving serious consideration to the tremendous potential for this program, coupled with the increasing enthusiasm demonstrated by employers such as those at last week's symposium, we have serious misgivings with respect to the present time limitation for participation in the program. In effect, Mr. Chairman, there is only a one-year implementation life span for the "Emergency Veterans' Job Training Act of 1983." Experience with the various major veterans' employment initiatives during the last ten years, such as the Targeted Job's Tax Credit Program, demonstrates that it takes, at the very least, six months for employer

awareness to develop. Based on this, the present program will barely have started realizing its real potential before it ends. Such a situation can only lead to further frustration on the part of those veterans who could benefit from such training opportunities and employers interested in participating. Therefore, the VFW urges this distinguished Subcommittee and the full Committee to develop a dialogue with the Assistant Secretary for Veterans Employment and Training and the Administrator of Veterans Affairs to determine the need and feasibility for extending the application and start up time from six months to one year.

In conclusion, Mr. Chairman, permit me to reiterate the appreciation of the VFW for the tenacious devotion of this Subcommittee and the full Committee to ensure adequate programs for our nation's veterans and the requisite funding to see them through to fruition.

Thank you.

T E S T I M O N Y

JOSEPH ZOLDAN

NATIONAL COMMANDER

ACCOMPANIED BY

HARRIS B. STONE, PNC

NATIONAL EXECUTIVE DIRECTOR

JEWISH WAR VETERANS OF THE UNITED STATES OF AMERICA

BEFORE THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

April 5, 1984

Mr. Chairman and Members of the Subcommittee:

It is an honor for me to appear before you today on behalf of the Jewish War Veterans of the USA to discuss our organization's views on the Emergency Veterans Job Training Act of 1983.

The Jewish War Veterans of the USA passed a resolution at our 1983 National Convention which stated: "The Jewish War Veterans of the USA supports the enactment of appropriate legislation to provide job training and placement for unemployed and underemployed veterans . . . . in order to increase job opportunities for veterans." The resulting legislation that passed both Houses of Congress last August was enthusiastically supported by JWV. We desired enactment of this bill because it was cost-effective; it limited eligibility to Vietnam-era and Korean War Veterans, two groups of war veterans who have had an exceptionally difficult experience finding jobs appropriate for their skills; it provided an extra time period for disabled veterans; established a training period of six months for occupations in growth industries, for jobs requiring new technological skills or in fields for which jobs outnumber the labor supply, and required certification by employers that the veteran would be hired in a permanent stable job after training.

Today, JWV of the USA is angered over the VA's decision to eliminate funding for this program in FY '85 after just two months of operation. Considering the fact that this program received funding on November 29, 1983, a decision to discontinue it is premature. The program has been in operation for only three months. This short time period is not sufficient to determine effectiveness.

Our intial impression is that this public law is working and figures from the VA support our contention. Despite the delay in funding of nearly

3 months (between the signing of the law and its receiving appropriations), 2,500 veterans have received jobs in approved programs. The VA projects, based on an average $6,500 reimbursement cost, that over 20,000 job slots will be filled under this program if all the funding for FY'84 is used.

The elimination of funds for the Emergency Veterans Job Training Act for FY'85 demonstrates an insensitivity to the unemployed and a lack of commitment towards retraining our labor force. Veterans, especially Vietnam veterans, have always had an acute need for retraining. In fact, the unemployment rate for Vietnam veterans has consistently run higher than comparable age groups in the civilian work force. The Vietnam veterans' employment problems are not totally related to the health of the national economy. The fact is many Vietnam veterans lack the necessary skills needed to find employment in today's work force, even in a strong economy. Yet, the rationale given by the VA and OMB for eliminating funding in FY'85 is that economic conditions causing enactment of this public law have been alleviated.

The problem with the administration's analysis is that improved economic conditions will not guarantee employment for Vietnam veterans unless they are properly trained. A closer examination of recent unemployment statistics and our economy clearly demonstrates the weaknesses in the VA's and OMB's argument

According to the Department of Labor, recent unemployment statistics have shown an improved national employment picture for Vietnam veterans. However, the decrease in unemployment should be compared to the high level of unemployment one year ago. For instance, those Vietnam veterans 25 to 39 years of age, the group that most closely correspond to the bulk of the Vietnam era veteran population, had a 12.2% unemployment

rate in January 1983. One year later this figure declined to 8.5%, still a relatively high figure. Those Vietnam veterans 25 to 29 years of age have even higher rates of unemployment. One year ago 21.8% of this age group were unemployed and today that figure decreased to only 15.8%. These rates of unemployment are not acceptable!

The decrease in unemployment and economic growth has been limited to non-industrial high technology areas. Growth in industrial areas is dependent on retraining workers. This makes job training even more imperative if Vietnam veterans are to acquire skills necessary to find employment in industrial areas.

JWV of the USA supports the House Veterans Affairs Committee proposal of authorizing $75 million to fund the Emergency Veterans' Job Training Act. We would also support the reinstatement of unused funds from the FY'84 school program carried over to the FY'85 budget to be used in the job training account. The VA divided the money appropriated for FY'84 under the Emergency Job Training Act into two different categories; $130 million was designated to fund the job training aspect of this program and $20 million was allocated for a school program. According to the VA, Vietnam veterans have not shown an interest in the school program and therefore, a large percentage of funds from this category would not be used.

It is apparent this program has barely had a chance to demonstrate its effectiveness, and it would be entirely premature to cancel this much needed program. We must continue our commitment to retrain our Vietnam veterans now; the program should have at least a few years to prove its effectiveness.

Mr. Chairman, thank you for letting the JWV of the USA give our views on this important matter.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, EMPLOYMENT AND TRAINING
OF THE
HOUSE COMMITTEE ON VETERANS AFFAIRS
APRIL 5, 1984

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 854,000 members of the Disabled American Veterans, I would like to take this opportunity to thank you for allowing us to appear here today to discuss the implementation of the Emergency Veterans' Job Training Act of 1983. Mr. Chairman, we appreciate your personal interest and effort, as well as that of the other Subcommittee members for your efforts to bring about a meaningful employment and training program aimed at resolving the unemployment problems of certain eligible veterans of the Korean Conflict and Vietnam Era.

Mr. Chairman, I would like to take a moment to commend you on behalf of the entire membership of the DAV for your role as the principal architect of this legislation. Because of the commitment made by you, Mr. Chairman and the members of this Subcommittee, we are today discussing the progress of this new law designed to provide meaningful career employment and training opportunities for these veterans.

Mr. Chairman, as you know, Vietnam Era veterans still face sometimes insurmountable employment problems and they tend to become unemployed at a faster rate during hard economic times.

The design of this program is meant to provide meaningful career employment and training opportunities; to look at economic trends; to look at future employer needs; to buffer against "make work situations" which we have seen all too often in the past; to avoid employers' use of this program without any commitment to retain these individuals past a training period; and target smaller and medium size employers who may be in a better position to participate in this program.

Mr. Chairman, as you well know, there have been several problems and stumbling blocks hampering the implementation of Public Law 98-77. Perhaps some of those problems came about by design, as well as chance. You will remember during the early development of the legislation, both Veterans Administration and Department of Labor officials opposed any new employment initiatives. Nevertheless, I am sure you will recall, Mr. Chairman, the statement made by President Reagan when he signed the legislation into law:

> As I said earlier, the nation has a special commitment to those who have served in the military. That commitment includes not only our continuing respect, but practical assistance as well. This program will aid veterans at the same time it aids the many small businesses that will participate.

Notwithstanding the President's stated commitment to the new program, permit me, Mr. Chairman, to discuss a few of the pitfalls that have already stifled the implementation of P.L. 98-77.

Some of the reasons cited for the relatively low enrollment rate thus far are: (1) the program got off to a slow start; (2) the funding was not appropriated immediately; (3) the funding only became available during the Christmas holiday; and (4) perhaps the most significant, the inability to identify employers who are willing to participate in the program.

Mr. Chairman, the DAV believes these are all shallow excuses. The Administration was informed last summer that the program would become law. We strongly believe that these officials should have been preparing for its actual implementation. Attempts should have been made to identify employers long before they did. Perhaps bureaucratic ineptitude and the VA's long-standing reluctance to become involved in employment programs has been the largest stumbling block.

Mr. Chairman, these hearings are crucial if we are to have any hope of salvaging anything meaningful from P.L. 98-77. As you know, we are now halfway through the first fiscal year for which funding is authorized and as of early last month, only 1,512 veterans have been placed in training. While we recognize that the number of placements is changing daily, we are disappointed over the trends that have developed in these first six months.

At a recent meeting, we were advised by officials of the VA that as of March 5, 1984, they had received 104,904 veteran applications. Of those, 73,145 (69.75) were approved. Almost 7,000 employers had applied for approval of a training program and 14,427 jobs had been approved. And, as indicated, 1,512 veterans were placed in those more than 14,000 positions.

Mr. Chairman, in the last month we have observed, first hand, the implementation of the new program in Nashville, Tennessee and Louisville, Kentucky. We learned from VA officials in those two cities that they appear to be experiencing similar ratios (eligibles veterans to jobs) as is shown by the statistical information received at the national level, i.e., on average every approved employer represents approximately 2.5 jobs, and for every job there are approximately 10 eligible veterans. This has proven to be true in Nashville, Louisville and, based on the information received from Central Office, the nation as a whole is experiencing the same trend. Mr. Chairman, it seems that a need exists to identify qualified employers.

However, even if additional qualified employers are identified, a new problems exists in that the VA actually ran out of employer applications. To what do we attribute this? Poor planning? Bureaucratic ineptitude or just plain incompetence? Surely with its sophisticated management information systems and computerization, the VA could have or should have measured the

employer demand. How many employers, Mr. Chairman, have decided not to participate in the program because of the inability to obtain the necessary forms?

In an effort to comply with the public information and outreach requirement of the P.L. 98-77, the VA has prepared a "flyer," one side of which is designed to address the potential employer and the reverse the potential eligible veteran. It appears, however, that the VA has not designed a national system to disseminate this information to the employer community. As already indicated, we believe that the effort must be targeted to the employer since there are currently ten eligible veterans to every one job. The VA apparently has allowed local jurisdictions the responsibility for contacting employers.

There also appears to be little or no coordination between the Veterans Administration and the State Jobs Service regarding outreach and public information. We must emphasize that unless this coordinated effort begins immediately and targeted toward employers, the program is destined to failure. We already have more eligible veterans than can be served.

Mr. Chairman, another problem which, in our view, is very important centers around the design of the veteran's Certificate of Eligibility. It came to our attention that a veteran's Certificate of Eligibility contains a "warning" to potential employers in big, bold, black letters on the front of the certificate stating:

FUNDS FOR THIS PROGRAM ARE LIMITED. THIS CERTIFICATE IS NOT A GUARANTEE THAT FUNDS WILL BE AVAILABLE FOR THE TRAINING OF THIS VETERAN.

Upon receiving this information, we contacted Chief Benefits Director Ms. Dorothy Starbuck requesting that the VA amend the Certificate of Eligibility and address the problem of limited funding in a more positive manner. I have enclosed a copy of our February 2, 1984 letter to Ms. Starbuck, together with her response of March 19, 1984. It appears from her reply that the VA does not intend to amend the certificate but, rather, relies upon their perception of Congressional intent. I invite your attention to Ms. Starbuck's letter wherein she states in part, "The Congress wanted the employer to become aware of the limited funding...the Committees intended that the Certificate of Eligibility should specify that the induction of trainees would be subject to the availability of funds...we were mindful of the limitations placed on the funds and the Congressional expression to include such a caution."

Mr. Chairman, it is our belief that the Veterans Administration has overreacted to the Congressional cautionary request. We believe that the availability of limited funding can be addressed in a more positive manner. It is our belief that unless the Certificate of Eligibility is amended, that employers will be "turned off" and will refuse to participate in the program.

Mr. Chairman, in spite of the foregoing, some very positive steps have been taken to implement this new program. As I indicated, the Veterans Administration has developed a "flyer"--the only problem encountered so far is the limited distribution.

On a similar note, just last week, the Secretary of Labor sponsored a reception for approximately 45 employers from 40 states and other interested government officials. These federal and elected officials included the VA Administrator, Chairman Sonny Montgomery, Congressman Hammerschmidt and Congressman Solomon and, of course, yourself, Mr. Chairman. During this reception, a short film was shown which highlights some very positive aspects of the program, as well as describes the overall concept of hiring veterans. The Department of Labor did a commendable job in developing and producing this film. It is my understanding that they are presently developing a strategy to assure adequate distribution and use of that film. In our view, if marketed properly, the film can go a long way toward providing definitive information to employers.

As an aside, Mr. Chairman, I had the pleasure in mid-February to attend a news conference in Albuquerque, New Mexico jointly held by Senator Pete Domenici and Secretary of Labor Donovan. The purpose of this news conference was to announce the assembly of a workshop to explain to both employers and veterans the provisions of the Emergency Veterans' Job Training Act. The

Secretary of Labor discussed other initiatives to provide employment and training opportunities for veterans in New Mexico. The day after the news conference, I attended a "symposium" which included Senator Domenici, Assistant Secretary of Labor for Veterans' Employment and Training Plowden, and other officials from the Department of Labor and Veterans Administration. In addition to veterans and veterans' organizations, there were several employer representatives in attendance. The program was explained in detail and I believe the overall effort, again, was very beneficial to the employer community in Albuquerque. More of that type of interaction needs to take place between potential employers and potential veteran trainees if the program is to work. Additionally, workshops could be conducted to assist the employer in "walking through" the application process to assure timely and responsive action on the application, thus avoiding undue delays.

Similarly, Mr. Chairman, I recently learned that the Vietnam Veterans Leadership Program (VVLP) in Washington, DC, Maryland and Virginia are undertaking a cooperative effort with the District of Columbia Job Service and the Veterans Administration Regional Office to sponsor a conference intended to provide additional information, assistance, testing and counseling to those veterans who have received Certificates of Eligibility from the Washington, DC VA Regional Office. While this program appears to have some drawbacks, the overall effort is to be commended. The

attempt is to design a prototype that may be developed in other jurisdictions--aimed at fostering cooperation between VVLP, the VA and State Job Service functions. We believe that this concept can be taken a step further and be used to enhance efforts to match eligible veterans with employers, as well as become a forum through which interested employers can receive the "walk through" process of filing their applications.

Mr. Chairman, although this program is halfway through its first fiscal year, and little has been accomplished thus far, we believe that aggressive, positive actions on the part of the Department of Labor, the Veterans Administration, in concert and cooperation with veterans' organizations and agencies such as VVLP, can culminate in making the Emergency Veterans' Job Training Act an extremely successful program, thus attaining the goal of addressing and meeting the unemployment problem among veterans.

That concludes my statement, Mr. Chairman, and I will be happy to answer any questions.

* * *

Motto: "If I cannot speak good of my comrade, I will not speak ill of him."

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

February 2, 1984

Ms. Dorothy E. Starbuck
Chief Benefits Director
VA Central Office
810 Vermont Avenue, NW
Washington, DC 20420

Dear Ms. Starbuck:

As you are aware, the Disabled American Veterans has significant interest in assuring the success of the Emergency Veterans' Jobs Training Act of 1983. We have attempted to work with you and Department of Labor officials to assure this success.

A crucial element of this legislation, as you know, is the payment of federal dollars to participating employers to help defray the expense of training veterans. While it is not necessarily expected that employers will be "beating down the doors" to receive such grants, a unique feature of this program centers around the fact that a veteran can use the Certificate of Eligibility as a tool to induce an employer to participate in the program. Thus, the potential of creating jobs is enhanced by the one-on-one contact between the eligible veteran and employer.

However, we became very concerned when it was brought to our attention that a veteran's Certificate of Eligibility carries a warning to potential employers (in big, bold, black letters):

"FUNDS FOR THIS PROGRAM ARE LIMITED. THIS CERTIFICATE IS NOT A GUARANTEE THAT FUNDS WILL BE AVAILABLE FOR THE TRAINING OF THIS VETERAN."

We believe the VA can approach the limited funding difficulties in a more positive manner. We strongly urge you to amend the Certificate of Eligibility to delete this red flag immediately.

Thank you for your kind attention to our concerns and I look forward to your reply.

Sincerely,

RONALD W. DRACH
National Employment Director

RWD:ar

Department of Veterans Benefits Washington D C 20420

Veterans Administration

MAR 19 1984

In Reply Refer To:

Mr. Ronald W. Drach
National Employment Director
Disabled American Veterans
National Service and Legislative Headquarters
807 Maine Avenue, N.W.
Washington, D.C. 20024

Dear Mr. Drach:

Thank you for your letter concerning the Emergency Veterans' Job Training Act of 1983.

Public Law 98-77 established the temporary emergency program of job training for certain unemployed veterans. The law provides for a distinct program of limited duration (two years). The Act authorized $150 million for each of fiscal years 1984 and 1985.

The law gives the Veterans Administration authority to withhold or deny approval of an eligible veteran's entry into a program of job training on the basis of funding limitations. The Congress recognized the possibility that participation might exceed the program's funding. Thus, the Congress provided, in the Act, safeguards to prevent overspending of the limited funding. The law provides mechanisms for controlling obligations within the bounds of available funds. The pool of veteran applicants having certificates may be limited, and at a subsequent point in the pre-obligation process, the entry of veterans previously certified as eligible may be postponed or stopped in order to keep obligations within those bounds.

The Congress wanted the employer to become aware of the limited funding. A review of the explanatory statement of the compromise agreement (Congressional Record, August 2, 1983, page H6228) indicated that the Committees intended that the Certificate of Eligibility should specify that the induction of trainees would be subject to the availability of funds. When we undertook the development of the form, we were mindful of the limitations placed on the funds and the Congressional expression to include such a caution.

We do not wish the employer or the veteran to incur financial obligations in reliance upon our statements without a complete understanding of the restrictions. The statement concerning fund limitations which appears on the Certificate of Eligibility, and a similar statement included in our letter of approval of the employer's application, should ensure this understanding.

A similar reply has been furnished to Representative G. V. (Sonny) Montgomery in response to his inquiry to us.

I appreciate the opportunity to review this matter for you.

Sincerely yours,

DOROTHY L. STARBUCK
Chief Benefits Director

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
VETERANS AFFAIRS COMMITTEE
U.S. HOUSE OF REPRESENTATIVES

on

VETERANS EMERGENCY JOBS PROGRAM

April 5, 1984

STATEMENT OF

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION

and

JAMES G. BOURIE, DIRECTOR
NATIONAL ECONOMICS COMMISSION

before the

VETERANS AFFAIRS SUBCOMMITTEE ON EDUCATION,
TRAINING AND EMPLOYMENT
U.S. HOUSE OF REPRESENTATIVES

APRIL 5, 1984

Mr. Chairman and members of this subcommittee:

The American Legion thanks you for this opportunity to present its views on the progress of the Emergency Veterans Job Training Program, PL 98-77. Early program planning estimated that just over 20,000 eligible veterans a year would be served by this program. Yet now, after over three months of program life, 61,000 veterans have been certified, 21,000 employers are eligible, but less than five percent, or 1,200 veterans, have actually been placed in jobs. And, unless those placement numbers significantly increase, the program's objectives will seriously be in doubt.

The American Legion is somewhat frustrated with the very slow start of this program. As the nation's largest veteran organization, we too have a commitment and responsibility to ensure the program's successful implementation. We of the veteran community indeed have an important role to play in promoting the program to both potentially eligible veterans

and employers. In that regard, The American Legion has distributed over 50,000 copies of our Veterans Economic Entitlement pamphlet prominently summarizing the emergency job program as well as other programs. The American Legion News Service has carried the word on the emergency program to 15,000 subscribers, and The American Legion Magazine has also carried a feature to over four million readers. Additionally, The American Legion's revised Employment Manual has been distributed to nearly 2,500 posts and to those involved in veterans employment and training. Our newsletter Economic Nuggets, has had continuous features on the new program going to its 3,000 readers, and we are exploring new avenues to promote this program.

However, like the other service organizations, we have been taking our promotional direction from the Department of Labor in general and the Office of the Assistant Secretary for Veterans Employment and Training in particular. We realize the inherent administrative problems associated with maximum public relations and outreach efforts encountered by the Office of the Assistant Secretary for Veterans Employment and Training (OASVET) and the Veterans Administration. Since no administrative funds were allocated, all promotional and administrative costs have had to be absorbed by those agencies. This has meant a significant shift of scarce resources and additional workloads. Yet, The American Legion never heard one negative remark by officials of the OASVET or VA that it could not be done. They set about their tasks and both must be commended.

In a short period of time, there were TV and radio spot announcements developed for major markets; special flyers and other informational packets developed and distributed. Veterans organizations were consulted in nearly all planning stages, and top officials of the Department of Labor and VA appeared on the Chamber of Commerce's Biz-Net emphasizing the program. In all, a serious and determined effort has been undertaken.

Yet, despite these efforts, the new program has made no significant gains. Reports received by The American Legion indicate no one problem, but a combination. We hear and know of instances such as: the business community is not aware of the Veterans Emergency Jobs Program; the Job Service is not promoting it; Disabled Veterans Outreach Program workers are desk bound and the forms are being filled out incorrectly. Further, employers are unaware of it or believe it to be another ill-conceived "make work" program; or that their hiring plans are either not firm or unknown. Some are skeptical that funding may cease during training. We do know, however, that small businesses are more likely to accept the program and that, for every vacancy, nearly four candidates are interviewed. Thus, there appears a great chasm between the job vacancy and the qualified veteran; the traditional "matching" problem.

Mr. Chairman, we wish we could point to one definitive problem, and offer a solution, but, again, there are multiple issues requiring varying actions. For example, we believe

there should be provision made for administrative costs to the VA and Department of Labor. To expect the agencies to properly promote and administer a program of this size without added resources is clearly burdensome.

National promotional efforts by the DOL, VA, and Small Business Administration need also to be reviewed. We have not heard much from the SBA, although it is indeed required to participate. It can and should be asked to assist the program with its Procurement Automated Source System (PASS), national, state and local SBA Advisory Councils, Veterans Business Resource Councils, as well as Regional and District SBA offices. The Department of Labor needs to aggressively pursue national business leaders, business trade groups and associations, to include the Chamber of Commerce, Governor's Committees, and other groups. The Department might then be better able to take the lead in developing and exploiting all national, state and local resources.

To conclude, Mr. Chairman, we need to step back and assess the problem areas. All concerned must close ranks, ensuring maximum coordination of inter agency operations. A single, concentrated effort must be brought to bear. Only then, we believe, will the program see a marked improvement.

MILITARY ORDER OF THE PURPLE HEART of the USA INC
STATEMENT OF MAURICE E. LOIR, LEGISLATIVE DIRECTOR
Before the House Committee on Veterans Affairs
Subcommittee on Education, Training and Employment
April 5, 1984

Mr. Chairman and Members of the Committee

The Military Order of the Purple Heart is pleased to be here today to offer our opinions in this oversight hearing on the Emergency Veterans Job Training Act, or Public Law 98-77. This new program replaces a variety of efforts over the past several years to alleviate the high unemployment levels faced by the veteran. These earlier programs achieved mixed results at best. Certainly we should have learned some lessons as a result of these efforts.

We did learn that on-the-job training, followed by permanent employment, should achieve the most positive results. Since P.L 98-77 uses this concept, we had high hopes for the program when it was first proposed. At this point in time, however, we must admit to some disappointment.

We are disappointed for several reasons. First, the delay in funding prevented a decent national publicity campaign that might have helped. Combine this with the Administration's notion that "improved conditions" do not warrant second year funding. Yet in reality, the veterans unemployment rate is actually increasing.

Next, the involvement of the Veterans Administration Regional Offices should have been limited. Considering eligibility requirements, the VA must be involved for certification of eligibility. The OJT/AT section is responsible for employer

certification and contracts. The problem here is that the OJT/AT field staff will generally consist of one person, and sometimes two. They certainly are not capable of dealing with very many employers. They must have assistance. In looking back, we find that many VARO's had very low enrollment levels in OJT/AT programs. We also find areas where there was little cooperation and coordination with the larger employers and the labor unions. A good part of this was the result of poor public relations. Will this extend to the Emergency Veterans Job Training Act as well?

The Veterans Employment and Training Service, of DOL, should play a greater role. But, when one considers the size of the staff, their responsibility for OFCCP and OVRR, along with their normal role in monitoring veterans programs in the Job Service and the Jobs Training Partnership Act, one will wonder where they find all the time needed to do their job. In addition, VETS always seems to be short of staff in the major population centers, right where the staff is most needed.

Turning now to the State Job Service offices, much might be accomplished with their full cooperation. In many states, however, there is a move to seek additional funding in order to furnish this cooperation. They ignore the fact that the Wagner-Peyser Act, with subsequent legislation, mandates these services within existing funding. Theoretically, the LVER and the DVOP staff should be active in job development and outreach. Yet, we continually hear of cases where DVOA's do not go into the field and where LVER's must perform other duties as employment interviewers.

Community and business organizations can be of some help in two ways, in seeking interested employers and in finding eligible veterans. In speaking of community organizations, I include the veterans groups. I know of few efforts to date, to build public awareness by using this method.

How can we improve this program? It does become somewhat difficult at this point in time, but we will try to offer some suggestions. Why not have the RDVETS and SDVETS contact the state directors of the Job Service? Have them come to some sort of agreement to insure full cooperation at the local level. Begin right at the top. This may have taken place in some states, but quite obviously, not in too many. Add the Emergency Veterans Job Training Act to the ESARS data in addition to job development contacts. Include too, the placement and counseling of veterans already certified. This will tell us what the Job Service is doing and should help to keep the state director on top of it all. Another method might be to include all the Emergency Veterans Job Training Act data in the veterans preference indicators. This may well improve the quality of the Job Service assistance.

Next, make use of the service delivery agents of the Job Training Partnership Act. SDA will have staff capable of writing employer contracts. Let the VA provide guidelines and supervise the contract writing. The SDA's will probably seek funding for this service and reasonable payment should be permitted. Any SDA with a proven record of services to veterans should be eligible to

participate. It may well be possible to combine this activity with othe programs for veterans under JTPA Title IV(C). VETS is already in a position to monitor and to provide technical assistance. Of course, the SDA's will not all make good partners. Careful selection will be necessary.

I cannot say just what impact these suggestions will have on veterans unemployment programs, but certainly, the program should improve. It cannot do worse.

A final point concerns the second year funding. If funding is not available, if no real attempt is made to attract more employers, if we maintain the status quo, all the effort expended thus far will only be wasted. We will be throwing money at a problem that perhaps, no one really wants to solve.

Once again, Mr. Chairman, we thank you for this opportunity to express our views.

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STATEMENT OF

DENNIS K. RHOADES

EXECUTIVE DIRECTOR

OF THE

VIETNAM VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING, & EMPLOYMENT

HOUSE VETERANS AFFAIRS COMMITTEE

APRIL 4, 1984

Mr Chairman, Vietnam Veterans of America (VVA) appreciates the opportunity to appear before this subcommittee to share our views on the Emergency Veterans Job Training Act of 1983. Employment, after all, is one of the key economic issues to VVA and its membership, and we are firmly committed to rendering whatever support and assistance may be necessary to assure that job programs for Vietnam veterans continue to be a high priority in veterans' services. We wish Office of Management and Budget (OMB) saw it the same way. There is, however, a remarkable consistency from Administration to Administration in OMB's efforts to undercut veterans job programs, despite the recurring employment problems experienced by Vietnam veterans over the past fifteen years. As we stated in our testimony on the VA's 1985 Budget, the Administration's proposal to eliminate the second year of P.L. 98-77 is not only based upon the highly arguable assumption that the 500,000 unemployed Vietnam-era veterans are going to find jobs in the next six months, but also indicates to us that Administration fails to understand that the Vietnam veteran's job problems is not cyclical, but structural in nature, and that unless the kind of remedy to the problem provided by the Emergency Veterans Job Training Act is allowed to continue, veterans will remain particularly vulnerable to economic turbulence. In this regard Mr. Chairman, VVA believes that this subcommittee, and you in particular as the author of the program, deserve considerable credit for the insight you have shown in creating this program. VVA fully supports, and urges the Congress to continue to support, full funding for the Act.

One of the arguments we have been hearing from those few individuals who do not favor extension of funding for P.L. 98-77 beyond fiscal year 1984 is that thus far, it does not seem that the program is working, that there are 125,000 veterans who have applied, 91,000 who have been certified as eligible by the VA, 20,000 approved training slots, but only 2,500 actual hires. Mr. Chairman,

these figures do not argue for curtailment of the program, particularly with 125,000 applying for participation in 3 short months.

In many respects, the program's performance to date is to be expected, and no cause for alarm. The timing of the appropriation, passing as it did immediately prior to the holidays last December, came at the beginning of a natural annual downswing in hiring in the private sector. Those of us who have been in this business for any length of time recognize that placement in this program would be lower in the winter and would substantially increase in the spring. In fact, many DVOP's and LVER I have spoken with have specifically signed on employers who indicated that they would not be hiring veterans until April or May. The second factor in analyzing these numbers is the lag time between an approval action at VA Regional Office and the receipt of a "Notice of Intent to Employ a Veteran" in Houston. My contacts indicate that this period can be anywhere from three to six weeks. Even if the employer has located a veteran at the time of approval, by the time Houston receives and processes the Notice of Intent, it will be two to three weeks after the actual hire. My last general observaton is that in assessing the program's performance, I would urge this committee to bear in mind that a certain amount of refinement time is required with any new program. This is why VVA from the beginning has supported a thirty month program, rather than twenty four, with an eighteen month eligibility period rather than twelve. Our legislative recommendation below reflects that continuing concern.

Since we are now four months into the program, it is an opportune time for this committee to examine what kinds of legislative, regulatory, or procedural steps need to be taken to fine tune the program. I would like to spend a few

moments discussing VVA's perception of the program's strengths, and deficiencies, and how the program might be improved.

Let me begin with several ideas for refining the program which will probably require legislative acton. First, as I mentioned at the beginning of my testimony, VVA strongly urges the Copngress to reject the Administration's proposal to abolish the second year of the program, and further urges full funding for fiscal year 1985. In connection with this proposal, VVA also recommends that Congress extend for at least six months the period during which an unemployed veteran may apply for a Certificate of Eligibility. Currently, veterans may apply for the certificate only up to November 29, 1984. We recommend that this period be extended until May 31, 1985. Second, our chapters have indicated to us that the 60 day life of the VA's Certificate of Eligibility is far too short, and that the mechanics of the VA's processing, which require two to four weeks, means that by the time the average veteran has the Certificate in hand, it is ony good for another thirty or forty days, after which he or she must reapply for certification. This creates a substantial processing burden for the VA. We therefore recommend that the life of a certificate of eligibility be extended from sixty to 120 days.

In regard to the internal procedures established by the Veterans Administration, VVA believes that the VA should be commended for setting up its processing system in the space of just a month and a half. Overall, the system seems to be functioning well, and it is our observation that the VA has been very sensitive to the issue of timeliness in processing both certificates of eligibility and employer training program approvals. We note a distrubing departure from that kind of concern in recent weeks and I will discuss that in

more detail in a moment. In any case, we were also pleased to note that the VA was prepared to implement P.L. 98-77 in early October, when the program was supposed to be authorized. The delay in obtaining an appropriation was a mixed blessing: on one hand it allowed both the VA and the Labor Department to refine the program arrangements; on the other hand, the lack of an appropriation was frustrating to many unemployed veterans who had applied for participation.

VVA does believe, however, that the VA ought to reexamine some of its policies and procedures to try to correct weaknesses that are causing processing delays. The first such weakness we have noted is in the documentation of military service. Present VA policy requires veterans who have no records on file with the VA to submit either their original, or certified copies of their original DD214's before a Certificate of Eligibility is issued. We seriously question the relation of cost to benefit in this policy which is now several years old. Many veterans simply do not have their original DD 214's after a decade, and it requires in excess of three months to obtain a copy from the Military Records Center in St. Louis. VVA believes this requirement in the very least needs to be mitigated owing to the critical role of timing in matching employers and veterans. Thus we recommend that the VA either alter its documention requirements by regulation, or seek legislative relief, if that is required.

Our members in various parts of the nation have indicated that there are considerable differences in processing times from Regional Office to Regional Office. VVA believes that timeliness in processing paperwork is too vital to the program's viability to be left to chance. Currently, the only timeliness standard set forth by the VA is that governing processing of Notices of Intent

by the Houston Regional Office. VVA advocates the establishment of timeliness standards for other points in the processing chain. Specifically, VVA recommends that a standard of five working days ought to be established for employer program approvals, and ten working days for basic eligibility determinations. We believe these standards are realistic and will assist the matching of employers and veterans.

Mr. Chairman, one of the best selling points of the program has been the simplicity of the paperwork for the employer. VVA has been very pleased with the VA's efforts to limit such paperwork. We view with some alarm however, the issuance of DVB Circular 20-83-25 Appendix F, on March 14, 1984. Paragraph 7(o) of this circular imposes two new forms on P.L. 98-77 employers: VA Form 27-8206, Statement of Assurance of Compliance and VA Form 27-4274, Compliance Report. While VVA fully supports equal employment opportunity in this and any other program, we believe that this additional paperwork will have a chilling effect upon both potential and participating employers. The Statement of Assurance we view as unnecessary, since a similar assurance has already been made by the employer in item 13 on the back of the original application for approval. The Compliance Report required is a statistical report which imposes an additional reporting burden particularly unfair and unnecessary in the case of small employers. VVA recommends that the VA eliminate the requirement for the Statement of Assurance entirely, and that the Compliance Report either be eliminated entirely or be completed only by large employers with 75 or more employees.

On the Labor Department's side of the program, let me preface my remarks by observing that, like the VA, the Labor Department should be commended for much

of its work in preparing to implement the program. We were very pleased with the quality of the national training program conducted last fall, as well as with the Technical Assistance Guide which was distributed to all Job Service Offices. We are encouraged by the continuing efforts of both the Department of Labor and the VA in attempting to maintain smooth coordination between the two agencies as the program proceeds. We also applaud the personal involvement in the program on the part of Secretary Donovan, and Administrator Walters, as was evidenced last week in the reception held at the Department of Labor for Chief Executive Officers in the private sector. We believe, however, that there are some problem areas, particularly in the area of employer outreach, that the Labor Department needs to address. We are disappointed, for example, that nothing of a directive nature has been issued by the Labor Department to the SESAs, including the LVERs and DVOPs. While a great many Job Services have seized upon the program and done an excellent job, a significant number have provided only marginal support. VVA is well aware that there is an institutional reluctance within the Department to direect the State or local Agencies to do anything, (which ultimately, we suspect, is a major contributing factor to the inherent weakness of the Nation's veterans employment policies and programs), but we also believe the Department has the obligation, and Assistant Secretary Plowden, the authority to assure that a consistent aggressive program of employer outreach is conducted by all Job Service Agencies in the Nation. VVA is also concerned that the Labor Department, until recently, has done little outreach to employer organizations. This type of outreach should be initiatied at the National level, and followed up at the State and local levels by State and Assistant State Directors for Veterans Employment and Training. VETS field staff can and should serve as outreach catalysts, working closely with the Job

Service in their respective states to assure that interested employers receive timely and complete assistance in seeking training program approvals and receiving qualified applicants for their openings under the program. There are numerous other initiatives which should be considered, such as greater involvement of the SBA, P.L. 98-77 Job Fairs, greater involvement of Federal contractors subject to the provisions of 38 USC 2012, and preparation and wide distribution of employer packets to business groups and veteran service organizations.

In regard to veteran service organizations, VVA also believes that they can be of great assistance in reaching employers, and that the Labor Department should actively seek their involvement in the program. VVA has requested a meeting next week with VETS staff to present a package for review under which our members, or volunteers would work with local Job Service Offices, to augment their efforts to reach the employer community and to provide followup and support to assure that approved employers eventually hire veterans.

Finally, although 125,000 veterans have applied under this program, VVA thinks that the Labor Department and the VA need to focus on the problems of matching eligible veterans to approved employer training programs. This may indeed be the major underlying reason for the disparity between the 20,000 approved training slots and the actual 2,500 hires. The Labor Department on a state by state basis needs to ascertain:

1) if local offices are reviewing their client files to determine the job needs of their clients prior to developing their employer outreach strategy;

2) if there are job banks or other mechanisms which permit exposure of ope-

nings under the program to other Job Service Offices and clients;

3) whether local Job Service offices are both aware of all veterans in their jurisdictional areas who have been certified as eligible, and are following up to contact these veterans;

4) If local Job Service Offices are referring sufficient numbers of qualified applicants to approved openings.

Mr. Chairman, I have briefly touched on many of the suggestions VVA has received from our members concerning program refinements. As I indicated at the beginning of my statement, we believe the program is both necessary and workable. VVA stands ready to assist the VA and the Department of Labor in helping to assure that this vital program accomplishes what Congress intended it to do.

Thank you.

STATEMENT OF RICHARD J. DUCEY, EXECUTIVE DIRECTOR, VIETNAM VETERANS LEADERSHIP PROGRAM OF MASSACHSETTS, INC.

Testimony by Richard J. Ducey, Executive Director of the Vietnam Veteran Leadership Program of Massachusetts, Inc. before the House Subcommittee on Education, Training, and Employment of the Veterans Affairs Committee, Representative Marvin Leath, Chairman, concerning the implementation of the Emergency Veterans Job Training Act, on 5 April 1984.

Good morning gentlemen, I would first like to express my appreciation for the invitation to present testimony on behalf of the Veteran Community of the Commonwealth of Massachusetts and, to a lesser degree, the Veterans of our nation.

As a preface to my presentation, I would very much like to note a very sincere gratitude to this Subcommittee's members and to Chairman Marvin Leath for your support of programs targeted toward the Vietnam Era Veteran community in eduction, training, and employment, three primary areas of need, and for your efforts to establish the Emergency Veterans Job Training Act.

We have viewed the Emergency Veterans Job Training Act as an historic first. The legislation represents the first time the federal government has crafted a significant employment and training initiative truly tailored to the needs, abilities, and aspirations of the Vietnam veteran. This legislation is, we believe, an innovative response to the underemployment problems faced by Vietnam veterans historically and to the more recent employment problems related to the shift from our traditional industrial economy to a more service-oriented economy. As such, it recognizes that today the unemployed veteran is most likely to be in his mid-thirties, married with two children, have a mortgage and other substantial financial responsibilities, a relatively stable work history and excellent job skills. His primary problem is that his specific vocational training is no longer as well-suited to the marketplace as it once was. As evidence of this fact, I's like to direct the subcommittee's attention to an effort undertaken by the American Legion in southwestern Pennsylvania. In that heavily industrial area the Legion sponsored employment seminars last year that resulted in survey information on 5,000 veterans which revealed a profile virtually identical to that which I just presented.

The legislation recognizes that what is needed is not the traditional sort of government-sponsored training program designed to place a person with limited experience and job skills in an entry-level job, but rather a program designed to give veterans—proven, capable workers—the opportunity they need to become trained for the secure career fields of the future.

It has been our view from the beginning of our involvement with this program that effective implementation requires extraordinary cooperation among all the agencies involved; that includes the Veteran Administration and the Veterans Employment and Training Service of the Department of Labor. It has been our experience that these agencies are working strenuously to achieve the requisite degree of cooperation.

Nonetheless, it is obvious that problems exist. In the Boston region, for example, only 102 job slots had been approved as of March 26. That ranked 36th among VA regions in an area noted for its high-tech industries. We want to focus your attention on the following problem areas which we have encountered in Massachusetts, and of which, as the Director of the Leadership Program, I have personal experience. They are generally:

1. The requirement that a Veteran be unemployed for 15 out of the past 20 weeks;
2. Continuing problems in interagency coordination;
3. Local difficulties in focusing services on the target client population.

Now, more specifically, the problem area of requiring a Veteran to be unemployed for 15 of the past 20 weeks, while it eliminates the problem of employers benefiting by retraining already employed Veterans, has created an employer reluctance to participate.

First because no employer is going to feel that the necessary motivation and potential would exist in someone willing to sit home for almost four months;

And second because it penalizes the motivated survivor-oriented Veteran who has taken subsistence employment to support his family and mortgage;

It is additionally noteworthy that this barrier could stimulate an underground economic situation where a potentially eligible Veteran would work "under the table."

Interagency administration has led to confusion which is understandable in any new program, but the public information program only recently launched in Massachusetts has created more problems. The Public Service Announcements especially, which although necessarily brief, leave the listener in doubt as to who the target

group of Veterans is. At this point let me make it clear that we recognize that many veterans do need the sort of employment and training assistance characterized by the Joint Training Partnership Act and that many of them could also benefit from the Emergency Act. It has been our experience, however, that long-term unemployed veterans with limited job skills and a poor work record are better served by entry-level programs such as JTPA. That these veterans have not been well-served by CETA in the past and, in many cases, are not being well-served by JTPA is, however, a separate problem.

The brief PSAs now in use may cause confusion—especially among employers—as to the intent, and the target group of the Emergency Act. We must convince employers that veterans are proven, capable workers who are worth making a long-term commitment to. Finally, it has been the unhappy experience in Massachusetts that although both the VA and DOL have put in every effort to make a success of the program under the federal guidelines the actual outreach to both potential veteran employees and potential growth industry employers has not occurred.

Locally, the Massachusetts Department of Employment Security has not, traditionally, been successful in gaining the voluntary cooperation of employers nor does it enjoy the full confidence of veterans.

Nationally, the Vietnam Veterans Leadership Program—through an interagency agreement with the Department of Labor—has assumed a signficant role in implementation of the Emergency Act. We are focusing on two problem areas in which we feel our volunteer resources can have a worthwile effect. One is in the area of matching the right veteran with the right job, and the other is in gaining the support and cooperation of targeted employers—that is, employers in growth industries, high-tech fields and economic sectors in which long term labor demand exceeds supply. I must stress that we are working in close cooperatin with the VA and the Department of Labor and our efforts are intended to augment and complement the efforts of those agencies.

To address the problems of matching, we have centered on the task of maximizing the resources available and focusing those resources on the individual veteran. In many parts of the country, this is being done through "job-readiness seminars" intended to give the veteran the tools he needs to market himself most effectively to prospective employers. This includes instruction in resume preparation, job-search techniques, interview techniques and a basic grounding in the benefits to the employer of participating in EVJTA.

Another tactic which will be tested is a "vocational guidance fair" designed to bring veterans together with existing sources of vocational guidance and testing such as those of the VA's vocational rehabilitation office and those provided by local employment security offices. Veterans and agencies assisting them in placement need a profile of the individual's aptitudes, abilities and temperament to develop the right job match.

Secondly, VVLP—with its volunteer resources of veterans now working in the private sector, often at the mid- to upper-levels of management—is well-suited to gaining the support of the employers needed to make the Emergency Act work the way it was intended to do. VVLP in Massachusetts and across the country has been actively engaged in carrying a specific message to the private sector (and the public sector, too, for that matter) for the past two and a half years. That message is—Veterans are winners, veterans are leaders and veterans make excellent employees. We have not lost sight of the fact that the targeted EVJTA employer is interested, first and foremost, in finding the employees he needs to continue making his company successful. In direct contact with potential EVJTA employers, in public information efforts, in speaking engagements, VVLP will continue to carry this messge: "Mr. Employer, the veteran is the employee you need."

Specifically, we would also like to reiterate our recommendation that you consider elimination of the long-term unemployment requirement for veteran eligibility. The sort of veteran for whom this legislation was intended, in most cases, cannot afford to turn down employment—even unsuitable employment—to gain eligibility. It has been our experience that many veterans who would otherwise take advantage of EVJTA will take whatever employment is available to meet their family responsibilities. The effect of this is to continue the pattern of underemployment which has plagued the Vietnam veteran since his military service and which contributed substantially to the record unemployment which prompted the emergency legislation last year. We would recommend that in place of the 15-of-20 weeks requirement you consider a modification that would simply require the veteran to be unemployed at the time of his application for eligibility.

In closing, I would sincerely hope that the EVJTA be judged—at this point—on its conceptual merits and not the past few months' track record. As is well known to

you gentlemen, the program has faced—and still faces—major implementation problems. We believe these problems can be overcome.

Mr. Chairman, we thank you once again for this opportunity to testify and stand ready to answer any questions you may have.

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